



Association for Postal Commerce

"Representing those who use or support the use of mail for Business Communication and Commerce"

"You will be able to enjoy only those postal rights you believe are worth defending."

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Postal News for October 2015

October 31, 2015

POSTAL/FEDERAL NEWS

Federal Register:

Postal Regulatory Commission	
NOTICES	
New Postal Products ,	
67438 [2015-27764]	[TEXT] [PDF]
67438-67439 [2015-27830]	[TEXT] [PDF]
67437-67438 [2015-27831]	[TEXT] [PDF]
Postal Service	
NOTICES	
Product Changes:	
Priority Mail Negotiated Service Agreement ,	
67439 [2015-27776]	[TEXT] [PDF]
67439 [2015-27781]	[TEXT] [PDF]

NATIONAL NEWS

[American Postal Workers Union](#): The legislative movement against delayed mail achieved an important milestone over the past week. For the first time, an outright majority of the Republican-controlled House of Representatives is now calling for an end to delayed mail and the return of overnight mail standards. This accomplishment is building on the overwhelming and bipartisan 85-11 Senate vote in April against postal cuts. Over the last week, 3 Republicans and 3 Democrats have signed on as co-sponsors of House Resolution 54 (H.Res.54), which now has 219 co-sponsors in total. Led by Reps. David McKinley (R-WV) and Paul Tonko (D-NY), H.Res.54 calls on the USPS to restore mail service standards to those in effect from July 1, 2012 – January 4, 2015. The latest cosponsors are demonstrative of the broad coalition demanding prompt service: Democrats and Republicans, urban and rural, committee chairs and congressional newcomers. Although the USPS has temporarily delayed

implementation of the planned closure or consolidation of dozens of postal facilities, the damage has already been done to the speed of America's mail.

Loyalty360: Brands that truly listen are ahead of the curve when it comes to customer engagement, customer loyalty, and brand advocacy. FedEx prides itself on listening to its customers in this fashion. At FedEx, we constantly listen to our customers using a variety of technologies in the online and offline space – and we continue to get better at listening and responding in real time. For example, when a customer visits our FedEx Small Business Center and searches for the term “international shipping,” we use personalization technology to customize their content experience by bringing together articles and videos that fit their specific needs. Are they considering the idea of serving customers outside the U.S.? Or are they ready for insights on simplifying international paperwork? Maybe are they somewhere in between? This helps us create relevant customer experiences on our website, but we want to push this same level of “listening to understand” to our other channels, as well. This is how brands can turn story telling into a “conversation. ”

Logistics Management: With the days falling off the calendar leading up to the holiday season, the ongoing influence and emergence of e-commerce on supply chain management shows no signs of stopping. That was a major takeaway of a keynote speech given by Henry Maier, president and CEO of FedEx Ground at the University of Rhode Island's Supply Chain Management Forum earlier this week. “E-commerce is the biggest driver of change and growth in the transportation industry,” he said. “This year it will top roughly \$300 billion, which only represents a little less than 10 percent of total retail sales. It is fast outpacing the growth of traditional brick and mortar.” “As much growth as e-commerce has brought to the industry, there is still a lot of runway ahead,” said Maier. “U.S. retail sales this year is a \$3.8 trillion business, and...e-commerce is bringing a whole new series of opportunities to companies like FedEx, mainly in the area of returns, logistics, and disposition. E-tailers are not really set up to handle returns, nor are brick and mortar retailers. They are happy to take the return back, because they are hopeful it will be exchanged for something else and maybe they will buy something else while they are there, but many do not have a real process for handling those returns.”

Press Release: Target Corp. has announced it has launched an international version of its website available to shoppers in more than 200 countries and territories. The new site, which Target recently began testing, also will allow U.S. customers to ship Target orders to family and friends around the world, just in time for this holiday season. “We believe international consumers will love shopping the great brands, great prices and exclusive products that are synonymous with Target,” said Jason Goldberger, president of Target.com and Mobile. “Target.com already gets tens of millions of visitors every year from outside the U.S., and this test will give us even greater insight into how shoppers around the world engage with Target.” At Intl.Target.com, both international and U.S. guests will be able to shop about half the assortment of Target.com, including apparel, beauty products, home décor, housewares, baby goods and toys. The prices will be the same as those offered in the U.S. on Target.com, and can be shown in nearly 60 different currencies. Countries where shipping from Target is now available include China, India, Canada, Mexico, European Union countries and more. **Target's partner Borderfree, a Pitney Bowes Inc. company**, is a market leader in global e-commerce that operates a technology and services platform that some of the world's most iconic brands rely on to expand globally and transact with consumers worldwide.

October 30, 2015

POSTAL/FEDERAL NEWS

USPS Office of the Inspector General:

- **How Can the Postal Service Improve Its Contracts Process?** -- An indefinite delivery, indefinite quantity (IDIQ) contract provides for an indefinite quantity of supplies or services for a fixed period of time. There are two types of IDIQ contracts, single award and multiple award. A single award IDIQ contract is awarded to one supplier for services or supplies that have fixed prices and were found fair and reasonable during the award process. Our audit will assess the Postal Service's use of multiple award IDIQ contracts. Specifically, we will determine whether there are adequate controls over the use of multiple IDIQ contracts and identify best practices. This audit will address whether the Postal Service is accurately

tracking multiple IDIQ contracts and correctly measuring competition. We will also identify areas for improvement. What processes can the Postal Service implement to maintain oversight of its multiple award IDIQ contracts? How should the Postal Service track its multiple award IDIQ contracts? What other options can the Postal Service consider to effectively manage its IDIQ contracts?

- **[Why is Strategic Planning for Transportation Important for the Postal Service?](#)** -- The U.S. Postal Service needs to adjust its processing infrastructure to accommodate two significant changes: declining First-Class Mail volume and growth in shipping and package services. It is challenged to make these changes while maintaining service and reducing costs. The ability to make timely adjustments is compounded by the need for transportation supplier flexibility. Further, transportation management information systems often provide unreliable and incomplete data, generally because of inadequate implementation, oversight, monitoring, and compliance. Long-range strategic planning, along with modern technology and complete information systems that provide accurate volume and tracking data, are vital to meet the challenges of rightsizing the Postal Service's transportation network. What are the benefits of having a strategic plan? What are the essential components of a strong strategic plan? Should each business unit in an organization have its own individual strategic plan? What are some useful strategic planning resources?
- **[Should Rural Mail Carriers Drive Privately Owned Vehicles?](#)** -- The Postal Service operates one of the world's largest transport and delivery fleets, which includes over 211,000 delivery, transport, and administrative vehicles. It maintains a diverse fleet of delivery vehicles including long life vehicles, delivery vans, and light trucks. City mail carriers operate government vehicles, and rural mail carriers operate both government and privately owned vehicles. Is it beneficial for rural carriers to drive their own vehicles? Do you believe it is safer for rural carriers to drive personal vehicles or government vehicles? City carriers must drive a government vehicle but rural carriers are not. Should rural carriers be required to drive a government vehicle?

Federal Register: Postal Regulatory Commission NOTICES New Postal Products , 66941–66942 [2015–27664] [[TEXT](#)] 66941 [2015–27665] [[TEXT](#)]

Postal Regulatory Commission:

- **PI2016-1 Order No. 2791 - Notice Establishing Docket Concerning Service Performance Measurement Data**
<http://www.prc.gov/docs/93/93660/Order%20No.%202791.docx>
<http://www.prc.gov/docs/93/93660/Order%20No.%202791.pdf>
- **RM2015-7 Order No. 2792 - Order Approving Analytical Principles Used in Periodic Reporting (Proposal Thirteen)**
<http://www.prc.gov/docs/93/93661/Order%20No.%202792.docx>
[http://www.prc.gov/docs/93/93661/Order No. 2792.pdf](http://www.prc.gov/docs/93/93661/Order%20No.%202792.pdf)
- **RM2016-2 Order No. 2793 - Notice of Proposed Rulemaking on United Parcel Service, Inc.'s Proposed Changes to Postal Service Costing Methodologies (UPS Proposals One, Two, and Three)** <http://www.prc.gov/docs/93/93662/Order%20No.%202793.doc>
[http://www.prc.gov/docs/93/93662/Order No. 2793.pdf](http://www.prc.gov/docs/93/93662/Order%20No.%202793.pdf)

NATIONAL NEWS

[Postalnews.com](#): "APWU: OIG agents use questionable tactics in workers comp cases"

[Post & Parcel](#): A new study commissioned by Metapack has found that "consumers will not hesitate to abandon an online purchase if the delivery option they want is not available". The findings of the Delivering Consumer Choice: 2015 State of eCommerce Delivery survey, which was carried out by Research Now on behalf of MetaPack, highlighted the crucial role delivery plays in influencing which retailer a consumer chooses to shop with. The survey was conducted online with 3,000 respondents across the US, UK, Spain, France, Germany and the Netherlands. Two-thirds of the 3,000 adults surveyed (66%) said that they have bought goods from one retailer in preference to

another because the delivery options on offer were more appealing – with 49% saying they would be happy to pay more for a better or more convenient delivery option.

Jacksonville Business Journal: Some 8,737 United Parcel Service Inc. (NYSE: UPS) retirees could soon see their pension checks cut. The reason – some UPS retirees receive their pensions from the cash-strapped Central States Pension Fund, which covers hundreds of thousands of workers from different companies, reports CNNMoney. The fund says it needs to make cuts in order to keep from running out of money, the network adds.

The Washington Post: Postal unions and civil rights groups are among other advocacy organizations, along with the U.S. Postal Service inspector general, pushing USPS to expand into banking. Sen. Bernie Sanders (I-Vt.), a Democratic presidential hopeful, agrees. But USPS, which could use the business, has no interest. Providing financial services in post offices “could benefit the 68 million underserved Americans who either do not have a bank account or rely on expensive services like payday lending and check cashing,” says an inspector general report issued in May. “The products also could help the Postal Service generate new revenue to continue providing universal service. Because it has a presence in every neighborhood, including many places where there are no longer any bank branches, the Postal Service is well suited to provide such services. In addition, its well-trained workforce is already experienced at handling complex transactions and watching out for related fraud and other risks.” The push for postal banking received a boost this month with an article by Mehrsa Baradaran in *The Atlantic*. Baradaran, a University of Georgia School of Law associate professor, advocates a “central bank for the poor,” as an alternative to “the unscrupulous practices of payday lenders.”

Washington Times: It turns out the U.S. Postal Service (USPS) has been caught in a lie. The Postal Service’s increased focus on its for-profit shipping service actually cost a ridiculous amount. A recent analysis proved that the postal service failed to attribute more than \$2.5 billion to competitive services – essentially hiding the tax dollars it was using to compete against private businesses. While the USPS has been busy improperly shifting resources from its federally mandated mail-delivery services to its shady side business of competing against private companies in the courier delivery service industry, it has all but ignored its actual job of delivering the mail.

INTERNATIONAL NEWS

EUROPE:Postal Technology International: Assessing the development of the EU e-commerce market as the sole indicator of cross-border parcel flows is misleading. These flows will, in all likelihood, drop with the continuing expansion of e-commerce, as it becomes profitable for e-tailers who have developed their business on a foreign market to set up operations there.

JAPAN:The Japan Times: Market expectations are running high for the imminent listing of the Japan Post group companies on the Tokyo Stock Exchange, which marks the beginning of the final phase of postal privatization started in 2005. But despite the hype over the initial public offering of Japan Post Holdings Co. and its two financial units, the long-term business prospects for the former state-run postal services are far from clear, due partly to the political twists in the privatization scheme.

CANADA:Canada NewsWire: Canada Post is taking customer convenience to a new level with the Drive-thru Parcel Centre that officially opened today in Richmond Hill, Ont. Two of its many innovations - a drive-thru for parcel pickup and a fitting room - are the first of their kind in any postal outlet in North America. The pilot store features a bright, free-flowing environment and offers a range of new customer conveniences, such as self-serve shipping stations, that allow online shoppers and small business owners alike to do business quickly and easily:

October 29, 2015



PostCom Members !! The latest issue of the [PostCom Bulletin](#) is now available online. 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. See what you've been missing.

POSTAL/FEDERAL NEWS

DMM Advisory:

- **Domestic and International Mailing — Price Change.** This week, the final rule domestic and international competitive services price change Federal Register Notices for the January 2017 price change were posted on the Federal Register web site. Domestic Competitive Products Pricing and Mailing Standards Changes (Shipping Services) — We provide revised mailing standards in the Domestic Mail Manual (DMM®) to reflect changes to prices and mailing standards for the following competitive products: Priority Mail Express®, Priority Mail®, First-Class Package Service®, Parcel Select®, Standard Post™, Extra Services. Return Services. Mailer Services. Recipient Services. See the entire notice at <http://www.gpo.gov/fdsys/pkg/FR-2015-10-26/html/2015-26920.htm> and on Postal Explorer at pe.usps.com.
- **International Product Changes (Shipping Services)** — We provide international classification changes and the corresponding mailing standards changes in the International Mail Manual (IMM®) for the following competitive products: · Global Express Guaranteed® (GXG®). · Priority Mail Express International™. · Priority Mail International®. · First-Class Package International Service™. · International Priority Airmail® (IPA®). · International Surface Air Lift® (ISAL®). · Direct Sacks of Printed Matter to One Addressee (Airmail M-bags). · International Extra Services: • Insurance. • International Postal Money Orders. • International Money Order Inquiry Fee. • International Money Transfer Service. See the entire notice at <http://www.gpo.gov/fdsys/pkg/FR-2015-10-26/html/2015-26918.htm> and on Postal Explorer at <http://pe.usps.com>.

Postal Regulatory Commission:

- **PI2015-1 USPS-LR-PI2015-1/1** - USPS Proposed Service Measurement System Statistical Design Plan Technical Conference PowerPoint Slides
<http://www.prc.gov/docs/93/93655/Preface.LR.1.pdf>
<http://www.prc.gov/docs/93/93655/USPS.StatPlan.Tech.Conf.10.28.15.pdf>

Federal Register:

Postal Regulatory Commission	
NOTICES	
New Postal Products ,	
66590 [2015–27523]	[TEXT] [PDF]
66590–66591 [2015–27524]	[TEXT] [PDF]
66589–66590 [2015–27526]	[TEXT] [PDF]
Postal Service	
NOTICES	
Product Changes:	
Priority Mail Express, Priority Mail, and First-Class Package Service Negotiated Service Agreement ,	
66591 [2015–27498]	[TEXT] [PDF]
Priority Mail Negotiated Service Agreement ,	
66591 [2015–27500]	[TEXT] [PDF]

NATIONAL NEWS

[Dead Tree Edition:](#) "What Is a Dead Tree Edition? 7 Ways the Meaning Has Evolved"

The New York Times: Every year, millions of Americans who need a short-term loan to repair a car, fly quickly to a sick relative's bedside, or catch up on child care payments find themselves going to payday lenders, either online or through one of the thousands of payday-lending storefronts. These are not people without credit or steady jobs. They simply can't borrow such small amounts through the traditional banking system. What might start as a \$500 lifeline can quickly become a heavy burden. Annual interest rates for payday loans typically run between 391 and 521 percent, according to the Center for Responsible Lending, and most people who use them end up paying more in fees over the course of the year than they originally received in credit. Nationally, borrowers spend roughly \$8.7 billion per year on payday-loan fees. So far policy makers have proposed a much more complex way to address this: Let the Postal Service do it. Senator Elizabeth Warren, Democrat of Massachusetts, proposed that the post office offer low-cost financial services like small loans to compete with payday lenders, with banks supplying help on the back end. It would be "the public option" for small-scale finance, but it would require that a new infrastructure of services be built and new skills acquired. Even if the Postal Service idea could be implemented without a technological glitch, the idea has already run into political opposition. Banks are in a stronger position both to address emergency needs quickly and to achieve scale in the business. If regulators do not require excessive underwriting and documentation procedures for loans that meet basic safety guidelines, origination costs will also be low. If our banking system is going to become an inclusive one that works for everyone and not just the affluent, allowing banks to offer small installment credit would be a great place to start.

The Washington Post: Americans don't spend nearly as much time at post offices as they used to, but that's not only because postcards are being replaced by Evites. For more than half a century, from 1911 until 1967, the Postal Service also served as a bank. Customers could walk down the street to the post office with their money and deposit it in a savings account there. The system made sense back in those days, when the country was more sparsely populated and banks were harder to find, but post offices were everywhere. Over the past 50 years, though, the total number of bank branches in the United States increased from 16,000 to 83,000. What's more, people visit the bank less frequently these days, given the ubiquity of credit cards and direct deposit. Still, there are still relatively few banks in many impoverished urban and rural neighborhoods, and Sen. Bernie Sanders (I-Vt.), a candidate for the Democratic presidential nomination, has a big idea for turning post offices back into banks. That's because he sees them as a place where the 68 million low-income Americans who currently rely on payday lenders and costly cash checking services could manage their affairs less expensively. (And banking might help the beleaguered Postal Service's bottom line as well.) "What people are forced to do is go to payday lenders who charge outrageously high interest rates. You go to check-cashing places, which rip you off," Sanders said recently. "And, yes, I think that the Postal Service, in fact, can play an important role in providing modest types of banking service to folks who need it." Postal banking is still a part of everyday life in many foreign countries, including the United Kingdom and France, and the U.S. postal inspector general issued a report endorsing the idea last year. The report argued the Postal Service should consider not only opening savings accounts again, but also expanding into short-term loans and debit cards as well.

INTERNATIONAL NEWS

UNITED KINGDOM: Travelmole: Royal Mail is stopping its Smartstamp system for small businesses leaving travel agents looking for alternate postal services. Smartstamp was launched in 2003 for small to medium-sized businesses and allowed agents to print postage directly onto envelopes. But the Royal Mail is replacing the system with various web applications when it closes Smartstamp on December 31st. It claims the new systems could lead to savings but agents argue that the replacement system prints large labels where the address has to be added which can be very time consuming.

October 28, 2015

POSTAL/FEDERAL NEWS

Attention PostalOne!® and Business Customer Gateway Users:

- **PostalOne! Release 41.3.3.0 – PostalOne! Release 41.3.3.0** will deploy on Sunday, November 15, 2015. The PostalOne!/BIDS system will not be available on Sunday, November 15, 2015 from 2:00 AM to 10:00 AM CT.
- **Seamless Acceptance and Service Performance (SASP) Release** will deploy on Sunday, November 15, 2015 between 4:00 AM to 11:00 AM CT. This release includes fixes to known SASP issues to include updates to select Full-Service and Seamless Verifications. If you have any questions please contact the PostalOne! Help Desk at 800-522-9085.

Federal Register: Postal Service NOTICES Product Changes: Priority Mail Negotiated Service Agreement , 66058 [2015–27501] [[TEXT](#)]

NATIONAL NEWS

RetailWire: CNN Money reports that UPS is expecting a 10 percent increase in shipment volume between Black Friday and New Year's, with a projected package count of over 630 million — an all-time high for the shipping company. UPS anticipates that its heaviest package volume day, December 22, will see 63 million packages delivered, twice the normal daily rate. FedEx is likewise expecting to move a record number of packages this holiday season. USA Today reports that FedEx expects a 12.4 percent increase in volume between Black Friday and Christmas Eve from last year's numbers. The massive increase in online shopping in recent years, especially during the holidays, has led to the yearly upticks in the number of packages shipping companies must deliver. While major shippers and retailers seem to be successfully anticipating and managing the increased package volume, it may take another brutal winter to truly put the logistics to the test.

Reuters: After having difficulties getting its holiday peak season right for the past two years running, this year executives at United Parcel Service Inc (UPS.N) insist they have a winning formula. "We are ready for peak season and we will deliver," Chief Financial Officer Richard Peretz told Reuters.

Associated Press: One of three U.S. postal workers accused of stealing gifts intended for underprivileged children by rigging the "Operation Santa" program where they worked has pleaded guilty. Court papers show that Mahogany Strickland, of Manhattan, pleaded guilty to a misdemeanor charge. She faces up to 30 days in jail.

INTERNATIONAL NEWS

GERMANY: Reuters: Germany's Deutsche Post slashed its 2015 operating profit target for the second time this year on Wednesday, taking a 345 million-euro (\$376 million) hit from a troubled revamp of IT systems at its freight division. The restructuring of the IT system, intended to reduce reliance on paper and known as the New Forwarding Environment, had already been under review after proving more costly and difficult to implement than expected.

TURKEY: Hurriyet Daily News: Turkey's national post office (PTT) will expand its operations overseas, its chairman and general manager told Anadolu Agency on Oct. 28. Harun Maden said PTT would be expanding its operations into international logistics, goods transport and package deliveries. For the expansion, PTT will partner with Turkish Airlines, whose large international flight network will offer cargo facilities, he added. "Classic postal services are declining, as consumers use the Internet. But the increase in package deliveries from electronic commerce allows us to compensate for this decline. We will partner with Turkish Airlines, which has one of the most important flight networks, including 279 destinations around the world, to create a new company for goods transport and package deliveries," Maden said. Maden said the new company will focus on online commerce, which PTT first entered two years ago.

CANADA: Post & Parcel: Canada Post has launched a new concept drive-thru and parcel pick-up store in Richmond Hill, Ontario, which is focused on catering to the needs of the online shopper. Speaking to Post&Parcel today, John Reis, head of retail for Canada Post, said that the new facility is part of the postal operator's commitment to become "the most convenient e-commerce solution on the market". Canada Post, added Reis, currently delivers two out of every three e-commerce parcels in Canada and it sees strong potential for more growth.

SINGAPORE: [AsiaOne Business](#): Singapore Post Ltd said it would develop a shopping mall in the city state that would accommodate online retailers, which would also allow customers to place their orders in the shop and arrange for delivery of products to their homes. The mall has a construction cost of about S\$150 million (\$107.43 million) and is scheduled to be completed around mid-2017, Singapore Post said. The move is a part of SingPost's efforts to boost its e-commerce business to offset weak postal revenues. - See more at: <http://business.asiaone.com/news/singpost-develop-shopping-mall-e-retailers-singapore#sthash.ejP2i8pV.dpuf>

NORWAY - SWEDEN - DENMARK: [Business Wire](#): E-commerce in the Nordic market is growing strongly. Digitization in Denmark was at a record-high pace during the quarter, resulting in considerably lower mail volumes. Continued adaptations in many areas are required to ensure long-term profitability. In the wake of continued digitization, mail volumes continued to decline, especially in Denmark. In total, mail volumes declined by 11% in the quarter, of which 23% in Denmark and 7% in Sweden. So far this year mail volumes have fallen by 9%, of which 18% in Denmark and 6% in Sweden. This means that the decline has accelerated additionally in Denmark and now only 18% of priority mail volumes remain compared to the top-level year, 1999. It is therefore necessary to implement changes to postal regulations as quickly as possible and to make the regulations sufficiently flexible to enable essential future adaptations based on customers' continually changing needs. This is a prerequisite for maintaining a universal postal service in the long term under reasonable economic conditions.

October 27, 2015

POSTAL/FEDERAL NEWS

Postal Regulatory Commission: The Commission will host an off-the-record technical conference in its hearing room on Wednesday, October 28, 2015 at 10:00 a.m. to discuss the Postal Service's statistical design plan for its proposed service performance measurement systems for Market Dominant products. The technical conference is open to all persons interested in the Postal Service's statistical design plan, and will be webcast on the Commission's website. The Postal Service will briefly outline the proposals contained within its plan, and be available to answer questions relating to the proposals.

NATIONAL NEWS

[Cato Institute](#): There was, indeed, a series of successful postal privatizations: Germany, the Netherlands, and the UK have shown the way. But we are afraid Prime Minister Matteo Renzi hasn't followed their lead. Poste Italiane is a strange animal. As with all national post services, for years now its traditional core business has been eaten up by the development of the e-mail. And yet the company ostensibly failed to adapt, for example by seizing the opportunities created by e-commerce. In seven years, revenues from mail and parcel delivery declined from 33% of total revenues to a mere 14%. Conversely, Poste Italiane diversified heavily: insurance and banking now rake in the bulk of its yearly income. This is an unhealthy paradox: the Italian government privatized its insurance company, INA, in 1994. The government-owned banks were likewise privatized in the early 90s. Now, with Poste Italiane, the government is back into the insurance business and owns the first Italian insurance companies by premiums collected. At the same time, Poste Italiane started looking at new ventures, like mobile telecoms and retail, eventually turning its post offices into small convenience stores.

[Linns](#): For an organization with longstanding financial troubles, the United States Postal Service has managed to attract a lot of attention with a proposed delivery truck it calls the NGDV. That's the newest postal acronym for Next Generation Delivery Vehicle — a bigger, but not sleeker, delivery truck that the cash-strapped Postal Service wants to buy for residential deliveries. The problem: the USPS, saddled by Congress with prepaying health care costs for its retirees, has not had the funds to make major truck purchases for years. This past summer, it did scrape together \$257 million to place an order for 3,000 walk-in "intermediate" delivery trucks, but these are off-the-shelf, standard delivery trucks, a postal spokeswoman noted. The NGDVs are to be a giant order for customized postal delivery trucks needed to replace the somewhat squat delivery trucks in the fleet, and to help the USPS move the increasing number of parcels in the mail. The USPS hopes to place the first of the NGDVs in service in 2018. The biggest improvements in the planned truck over the delivery vehicles in the current fleet are that drivers should be able to store more parcels, and be able to walk into the truck's storage bay and pick up the parcels from the shelving

there. One of the big difficulties the USPS has had with the current explosion in parcels is that the small long-life vehicles don't have room to store many of the packages that now must be delivered.

Associated Press: Secretary of State Wayne Williams is recommending that voters who haven't mailed in their ballots yet deliver them in person instead. Williams says that several county clerks have expressed concern that **the U.S. Postal Service didn't deliver their ballots in a timely manner**. So he suggests voters either drop off their ballots with their county clerk or use another county drop-off location before 7 p.m. Tuesday rather than putting them in the mail at this point. Last year, a judge ruled that county clerks could not count ballots that arrive after 7 p.m. on Election Day.

Direct Marketing News: Economist Robert Shapiro holds that the U.S. Postal Service's recent filing for an increase in competitive product rates only shines a light on how artificially low its open marketplace prices are. "The notion that they'd have to raise the rates to meet a 5.5-percent requirement for fixed costs just illustrates the extent to which they have been subsidizing these products," Shapiro told Direct Marketing News. "They've driven the prices down so much they can't even raise the revenue to meet a five-percent obligation." The ex-Under Secretary of Commerce, and now CEO of economic advisory firm Sonecon, contended that the mandated contribution to institutional costs such as trucks and plants is itself an unrealistic, contrived number. "The fact is," he said, "that competitive products account for about 28 percent of all revenues and attributable costs. Five-and-a-half percent doesn't even pay that lip service." Shapiro favors spinning off the competitive products business into a private company that would be forced to compete on a level playing field with major shippers like UPS and FedEx, while letting market dominant products remain under the stewardship of the Postal Service. "The legitimate government operation is the monopoly operation. It services the monopoly proposition of universal service," Shapiro said.

TechCrunch: Dan Lewis wasn't convinced that a startup that connects small trucking companies to people who need shipments was going to work. But he went door to door in a warehouse district in Seattle, and one problem kept coming up: smaller trucking businesses couldn't grow because they weren't able to connect with businesses that needed shipping without dozens of phone calls. That's where Convoy comes in, a startup that raised \$2.5 million in venture financing from investors like Marc Benioff, Drew Houston and Bezos Expeditions, and is launching today. Convoy provides shippers with an online service that quickly gets them quotes for things they need to ship — like pallets of steel or other bulk shipments — based on certain variables, and connects them to companies with trucks in the area.

The Wall Street Journal: FedEx Corp. doesn't expect worries over the U.S. economy to dampen consumer sales this year. The carrier is projecting that package shipping between Black Friday and Christmas Eve will grow 12% this year over last season, the WSJ's Laura Stevens reports. That's a vote of confidence in an economy that seems to be foundering lately, with corporate profits and sales slipping and concerns growing that retail sales could take a hit. Businesses appear to be scaling back inventories after overstocking early in the year, and retail sales have been tepid since mid-summer. FedEx is basing its outlook on projections from its own customers, however, including the "small number of e-tail and retail" companies that drive the peak business.

Dead Tree Edition: USPS staff told the CRS this month that it's working on a new five-year plan, which the researchers said "might contain new strategies for increasing the cost efficiency of the workforce, including the alteration or removal of workforce reduction goals." Translation: "Postal officials acknowledged they have abandoned their impossible staff-reduction goal and therefore aren't likely to offer early-retirement incentives any time soon."

INTERNATIONAL NEWS

ITALY: The Wall Street Journal: Poste Italiane SpA Chief Executive Francesco Caio expressed confidence he can turn around Italy's lumbering postal service as the group's shares started floating on Milan's stock exchange, even as analysts highlight the challenges that lie ahead. Born as the national postal service in the 19th century, Poste Italiane evolved over the years into a sprawling conglomerate offering services ranging from insurance to financial services, in addition to its traditional mail and parcel delivery. It employs 142,000 people, runs 13,000 branches and serves 33 million clients. Analysts said the appeal in the company lies in the potential for Mr. Caio to lower costs

and the raise revenue of its postal activities while also expanding its financial business. The government brought in Mr. Caio last year as CEO, looking to energize a group known for its deep inefficiencies and bureaucratic culture. The CEO is counting on squeezing more business from commercial correspondence, in part by enhancing its tracking services. He also hopes to grow the parcel business, exploiting the growth of e-commerce in Italy. Last year, Poste struck a deal with Amazon whereby clients can pick their online purchases at post offices.

BELGIUM: [Cullen International](#): Cullen International is the leading provider of regulatory information for the telecommunications, media, electronic commerce, competition law and postal sectors, serving over 150 key market players and public organisations internationally. We are recruiting a talented individual, who must have previous experience in postal regulation within the EU.

ITALY: [The New York Times](#): Shares of Poste Italiane, the operator of the postal service in Italy, rose slightly in early trading in Milan after its initial public offering last week. Poste Italiane was valued at 8.8 billion euros, or about \$9.7 billion, in its initial public offering on Friday. The company priced its offering at €6.75 a share, the midpoint of its expected range. Shares of Poste Italiane rose as much as 3 percent after its shares began trading on the Borsa Italiana in Milan on Tuesday, but they were up less than 1 percent at €6.76 a share by midmorning. Successfully selling shares in the postal operator was an important milestone in Prime Minister Matteo Renzi's effort to reduce Italy's debt by privatizing government-controlled assets. Poste Italiane is one of the biggest employers in Italy, with 142,000 workers. In addition to operating the postal service, the company sells insurance and provides financial services. It posted revenue of €16 billion in the first half of 2015.

GHANA: [GhanaWeb](#): Businesses have been urged to introduce electronic payment systems to improve the services they render to their clients. E-payment system is a way of paying for goods or services electronically, instead of using cash or cheque, go in person or by mail. Unlike the early 90s when people went to the post office to mail letters, the invention of the email had overtaken the way the postal system worked.

BELGIUM: [Post & Parcel](#): bpost has informed Post&Parcel that it has been using temporary workers to help clear the back-log in mail and parcels at its sorting centres caused by the recent industrial action. The striking postal workers were objecting to the terms and conditions for weekend working at the sorting centres. Representatives from bpost and the post workers' union are scheduled to hold a meeting on Thursday (29 October) to continue their negotiations.

October 26, 2015

POSTAL/FEDERAL

USPS Industry Alert: Guide to Mailer Scorecard Webinar October 29, 2015 at 2:00p.m. EDT -- Join the U.S. Postal Service to review the Mailer Scorecard and how to make it work for you. Pritha Mehra, Vice President, Mail Entry and Payment Technology and her staff will discuss the capabilities of the scorecard as it relates to Full-Service, eInduction, Seamless Acceptance, and Move Update. The webinar will walk through the six full-service quality metrics and their respective drill reports to demonstrate how different stakeholders in your supply chain can view information that is important to them. The webinar will also show you how to get the best quality out of your mailings, ensuring a positive end result. Participant information is provided below: Thursday, October 29, 2015 (2:00pm EDT) Attendee Information US/Canada Attendee Dial-in: (866) 381-9870 Conference ID: 63380676 Attendee Direct URL: <https://usps.webex.com/usps/onstage/g.php?MTID=e225bd7f7da7fe79e27d16403b201e854> If you cannot join using the direct link above, please use the alternate logins below: Alternate URL: <http://usps.webex.com> Event Number: 997 856 598

[Congressional Research Service](#): "*U.S. Postal Service Workforce Size and Employment Categories, FY1995-FY2014*" Kathryn A. Francis Analyst in Government Organization and Management October 21, 2015

[Federal Register](#): **Postal Service 39 CFR Part 111 Domestic Competitive Products Pricing and Mailing Standards Changes** [Final rule](#).

NATIONAL NEWS

The Wall Street Journal: The biggest landlords in the U.S. are being crushed under a mountain of packages, leading one large apartment operator to stop accepting deliveries and others to experiment with ways to minimize the clutter. The moves are at the center of two colliding trends: an increase in apartment living and a surge in online shopping. The result is a rising tide of packages with no good place to go. The onslaught has turned management offices of apartment buildings into de facto receiving centers as landlords grapple with recording packages, tracking tenants down to pick them up and finding places to store the parcels. Camden Property Trust, the 14th-largest U.S. apartment operator by number of units, stopped accepting parcels at all of its 169 properties nationwide this year. Executives said the Houston-based landlord, which has roughly 59,000 units in 10 states and the District of Columbia, had received almost a million packages in 2014, and the rate was increasing by 50% a year.

The Verge: If the world's skies eventually fill with delivery drones, they'll probably first belong to the big box stores. Reuters reports that Walmart has applied for permission from the Federal Aviation Administration to test drones for several purposes, including home delivery, grocery pickup, and warehouse inventory management. Reuters says Walmart has already been testing drones indoors for months, and that it plans to use vehicles built by DJI: the manufacturer of the popular Phantom line of consumer drones. Walmart will join other big companies testing drones for commercial purposes. Its biggest competitor in the skies is probably Amazon, which led the push to relax FAA drone rules earlier this year by pressuring the government and threatening to take its operations overseas. Amazon finally received permission to test delivery drones outdoors in March, but still claims the government isn't moving fast enough. Google is also testing drone designs, and while its ambitions are still secret, it also appears to be working on machines that can make deliveries.

The Motley Fool: "Ever Wonder How Amazon.com Pays for All That Free Prime Shipping? Amazon's Fulfillment by Amazon is what secretly powers the economics of Amazon Prime behind the scenes."

Roll Call: Members of Congress are selfish. That's one reason Capitol Hill continues to resist bipartisan prodding to make Congressional Research Service reports public, speculated former Rep. Christopher Shays, R-Conn., during an Oct. 22 panel on transparency. "Members of Congress like getting access to information that wouldn't potentially be shared with their opponents. So if they sound brilliant from some well-written report, they're not eager that some candidate can get all this information and come to debates sounding just as articulate," Shays said. "That's a big reason." Publicly distributing in-house research reports, the non-confidential documents that inform lawmakers and staff about important policy issues, makes sense, Shays argued during his 21 years in the House. These days, Reps. Leonard Lance, R-N.J., and Mike Quigley, D-Ill., carry the cause. With Congress pondering changes under Library of Congress James H. Billington's yet-to-be-named successor, advocates are hopeful the CRS could be subject to more sunlight.

Save the Post Office: The United Parcel Service is very concerned that you might be paying too much for a postage stamp. If you're wondering why UPS would be worried about something like that, it has to do with the way postal rates are set. UPS believes that market-dominant products — First Class mail, Standard mail, and periodicals — are covering more than their fair share of the Postal Service's operating costs, while competitive products — Priority and most shipping services — are not paying enough. As a result, argues UPS, the average customer who buys a First-Class stamp is paying too much because part of the stamp's price is being used to subsidize competitive products. UPS wants the cost allocation methodology changed so that competitive products pay a larger share of the Postal Service's operating costs.

Federal Times: Today's citizens want service to be accessible anytime, anyplace and through their preferred communication channel. They expect channels of communication not to operate independently, but to be integrated across all platforms so that all conversations, information and context will flow to create a unified experience. For federal agencies, meeting those citizen expectations can be a tall order, but it is critical to find ways to integrate digital channels—web portals, email, and social media accounts—into a citizen engagement strategy to begin to meet some of those expectations. Agencies must remember that sometimes digital channels aren't the best fit for certain communication. When examining data from existing touch points, agencies can also look at where traditional channels are currently serving individuals in ways that digital channels simply cannot.

Associated Press: With online shopping growing, FedEx is bracing for a record volumes this holiday season. The delivery company predicted Monday that shipments from Black Friday through Christmas Eve will rise 12.4 percent over last year to 317 million pieces.

Inquisitr: UPS pilots appear to have overwhelmingly agreed to strike. The decision comes at a very busy time of the year for the parcel delivery service. Seemingly stalled negotiations for more than five years could be one of the primary drivers that pushed the pilots to strike. The union representing United Parcel Service Inc. pilots, voted to authorize a strike against the Atlanta-based shipping giant. The members of the Louisville-based Independent Pilots Association (IPA), the union that represents pilots for UPS, may have unanimously voted for the strike to happen, but there's no guarantee it will, reported Louisville Business First. The vote merely indicates that the members on the board of the IPA, who have been negotiating a new union contract, now have the right to formally request a release from federally mediated negotiations with UPS. Since the right has been granted through the vote, UPS pilots, through the IPA, could call for a strike if the mediation doesn't yield satisfactory results. The vote indicates the strike may not be held illegal or unconstitutional.

INTERNATIONAL NEWS

CANADA: **Canada NewsWire:** **Canada Post is temporarily suspending future deployment of the program to convert door-to-door mail delivery to community mailboxes. We will work collaboratively with the Government of Canada to determine the best path forward given the ongoing challenges faced by the Canadian postal system.** Efforts are now underway to place the comprehensive program on hold in an orderly fashion. This involves roughly 460,000 addresses across the country which are currently in the process to be converted to community mailboxes. As a result, all conversions planned for November and December 2015 and those announced for 2016 will be placed on hold. Customers impacted by this decision will receive a letter within the next few weeks advising them of the status of their mail delivery service. In neighbourhoods where the 10-month internal and community conversion process is complete, customers will collect mail and parcels at their community mailbox. This includes customers set to begin receiving their mail and parcels in their boxes in October. We remain focused on maintaining reliable postal service to all Canadians without disruption.

NETHERLANDS: **Post & Parcel:** PostNL has announced new postal rates that will apply from 1 January 2016. The new rates – which have been approved by the Dutch supervisory authority for the postal market, the Autoriteit Consument & Markt (ACM) – are: basic rate for letters in the Netherlands: €0.73 sic rate for international letters: € 1.25 basic rate franking machines for letters in the Netherlands: €0.65. The business rates will also increase. The basic rate for sending a parcel will not change.

IRELAND: **The Irish Examiner:** Ten thousand An Post workers could be in line for a pay increase after enduring an effective pay freeze for the past seven years. This follows the Labour Court stating that the continuance of the pay freeze proposed by An Post "is no longer a viable proposition" in spite of a warning from An Post that a concession would considerably worsen the financial health of the company. In its claim, the Communications Workers Union (CWU) is seeking a 6% 'cost of living' increase.

October 25, 2015

NATIONAL NEWS

Allentown Morning Call: When Allentown decided to lease its water and sewer systems to the Lehigh County Authority, the novel and controversial move aimed at shoring up the city's ailing pension funds caught the attention of Alan Kessler, a national Democratic Party fundraiser and finance chairman for Hillary Clinton's 2008 presidential campaign. Over the next year, the law firm Kessler worked for, Duane Morris LLP in Philadelphia, would be hired by Allentown and paid \$62,090 for legal work related to the city's water-sewer lease proceeds, according to the Allentown city controller and an invoice the law firm submitted to the city. In February 2013, the Duane Morris LLC Government Committee, a political action committee, contributed \$2,500 to Pawlowski's re-election campaign, and an additional \$2,000 in October 2014, after the firm's work for the city was complete, according to campaign finance records. Kessler and the Duane Morris law firm are among more than two dozen people and businesses

listed on an FBI subpoena served on Allentown City Hall during a July 2 raid. This month, the U.S. Attorney's Office asked for information about eight additional names. The FBI is investigating Allentown's contracting process and possible connections to campaign donations made to city officials. Kessler's ties to the Clintons go back to 1991, when he served as a member of the Clinton/Gore Presidential Transition Team. President Bill Clinton appointed Kessler to the board of governors of the U.S. Postal Service in 2000, according to a Kessler biography on the Duane Morris website. He was elected chairman of the postal board in 2008 and reappointed in 2009 by President Barack Obama. He resigned in 2011 after the Office of Inspector General issued a report that said Kessler's personal involvement in a property dispute between the post office and a political ally created "an appearance that he used his public office for private gain."

October 24, 2015

POSTAL/FEDERAL NEWS

Federal Register:

Postal Regulatory Commission	
NOTICES	
Change in Postal Rates ,	
65256-65258 [2015-27096]	[TEXT] [PDF]
Postal Service	
RULES	
Domestic Competitive Products Pricing and Mailing Standards Changes ,	
65149-65159 [2015-26920]	[TEXT] [PDF]
International Product and Price Changes ,	
65139-65149 [2015-26918]	[TEXT] [PDF]

DOMESTIC NEWS

Forbes: A little over three years ago I wrote a story here predicting that Amazon's next big goal was to take on the Men in Shorts, i.e. FedEx and the other delivery services. It looks like the effort is coming to fruition. The company is assembling an executive team and will launch a nationwide service to guarantee delivery within a 90 minute window, according to this article.

The Street: The union representing United Parcel Service (UPS - Get Report) pilots voted nearly unanimously today to authorize a strike by the Independent Pilots Association, as contract negotiations between the pilots and UPS approach a fifth year. The five-pilot Independent Pilots Association executive board will now be able to formally request a release from federally mediated negotiations with UPS, with the option for the 2,500 UPS pilots to go on strike after mediation, according to a statement. Pilots argue that the contract should allow more time to rest between flights, similar to the rules for airline pilots set out by the Federal Aviation Administration, according to the Wall Street Journal. Other points of contention within the contract include pay, health care and retirement benefits.

October 23, 2015

POSTAL/FEDERAL NEWS

USPS Office of the Inspector General: [Iron Mountain, MI, Processing and Distribution Facility Consolidation](#)

Background. The U.S. Postal Service uses Area Mail Processing (AMP) guidelines to consolidate mail processing functions and increase productivity through more efficient use of equipment, facilities, staffing, and transportation. These consolidations are intended to reduce costs and maintain quality service. Consolidating mail processing operations from the Iron Mountain, MI, Processing and Distribution Facility (P&DF) into the Green Bay, WI, Processing and Distribution Center (P&DC) was scheduled for July 25, 2015. However, the Postal Service announced on May 27, 2015, that it was deferring all planned consolidations until 2016. This report responds to a request from U.S. Senator Debbie Stabenow to review mail processing consolidations in Michigan. In a separate audit originating from the same congressional request, we reviewed consolidation of the Kalamazoo, MI, and Lansing, MI, P&DCs. Our objectives were to determine whether a business case existed for consolidating Iron Mountain, MI, P&DF mail processing operations into the Green Bay, WI, P&DC and to assess compliance with established AMP guidelines.

What the OIG Found. A business case exists to support consolidating mail processing operations from the Iron Mountain P&DF into the Green Bay P&DC. We estimated the consolidation should save about \$4.5 million annually, and we found the Green Bay P&DC has machine capacity to process the additional mail volume from the Iron Mountain P&DF. The Postal Service reported 2,410 net downgrades in customer mail service associated with the Iron Mountain P&DF consolidation and the national service standard revisions implemented on January 5, 2015. The national service standard revisions significantly relaxed the service standards nationwide. The majority of the downgrades were not attributed to the consolidation. In fact, the consolidation should result in a net of 2,756 service standard upgrades. The consolidation should not substantially impact the community and the Postal Service does not plan to lay off career employees. Finally, the Postal Service generally complied with established AMP guidelines. However, we found the Postal Service overstated annual cost savings by about \$837,000. Specifically, it overstated transportation savings as well as management and mail processing craft workhour savings.

What the OIG Recommended. We recommended the vice president, Network Operations, re-evaluate transportation and workhour savings in the Iron Mountain AMP feasibility study and make adjustments during the first post-implementation review.

Federal Register:

Postal Regulatory Commission	
NOTICES	
New Postal Products , 64455–64456 [2015–26925]	[TEXT] [PDF]
Postal Service	
NOTICES	
Removal of Global Direct Contracts from the Competitive Product List , 64456 [2015–26906]	[TEXT] [PDF]

USPS Industry Alert: USPS Shipping Products and Services Webinar Series Parcel Select® October 27, 2015, 11a.m. – noon (Eastern Time) Join us as the Postal Service continues to host its series of informational webinars on a variety of products and services. The webinars focus on service enhancements, features, benefits, how to get started, and onboarding information to acquire the knowledge and skills to effectively use the service. Parcel Select® was designed as a work-share discount option for businesses mailing larger shipments of merchandise. USPS specialists will walk you through using this service from start to finish, including how to take advantage of extra services and value added services. You'll also find out how and where to mail these parcels and how to

determine price eligibility. Speakers: Suzanne Newman, Product Development Specialist Sr Verdonna Hudson, Business Systems Analyst Senior Registration Required. Instructions for participating in the webinar appear below: Attendee Information US/Canada Attendee Dial-in: (866) 381-9870 Conference ID: 33228435 Attendee Direct URL: <https://usps.webex.com/usps/onstage/g.php?MTID=e04aa7c48c91be311e7abec2e2e240b82> If you cannot join using the direct link above, please use the alternate logins below: Alternate URL: <http://usps.webex.com> Event Number: 994 883 591

NATIONAL NEWS

Post & Parcel: R. R. Donnelley & Sons has bought Tampa-based Courier Advisory Group (CAG). CAG provides third-party logistics (3PL), scheduled and on-demand delivery, and managed courier services. "With over 14 years of strong performance, Courier Advisory Group is an excellent fit for RR Donnelley's Logistics business," commented Chuck Fattore, President of RR Donnelley Logistics. "This transaction complements our March 2015 acquisition of United Express System and expands our offering in the growing last-mile delivery space." CAG operates 34 locations in the Eastern and Midwestern United States.

TruckingInfo: The U.S. Postal Service has requested prototypes from 15 qualified suppliers for a purpose-built delivery vehicle that would replace its aging fleet of Long Life Vehicles (LLVs). In its Request for Proposal (RFP) posted to FedBizOpps.gov on Oct. 20, 2015, the USPS is asking for a delivery vehicle that must meet a series of specific criteria and capabilities rather than purchasing a commercially available van or truck now offered by manufacturers. Suppliers must respond by Feb. 5. The request asks for six purpose-built prototype vehicles that will be tested during a 26-week evaluation period. The supplier must support vehicle testing with on-site maintenance, trouble shooting, and required repair support within 24 hours, according to the documents. At least one organization monitoring the USPS' initiative to begin purchasing its next-generation delivery vehicle criticized the approach, which is similar to the one the agency took in 1987 when it adopted the LLVs, which lacked safety features such as airbags, intermittent wipers, and anti-lock brakes. "Unfortunately, today is 1987 all over again, with this new RFP issued by the Service spelling out in plain English its intent to repeat the very same mistake, holding on to its next fleet of purpose-built vehicles for at least another two decades while the world passes it by," said Robbie Diamond, president and CEO of Securing America's Future Energy (SAFE).

PRNewswire: Robert Shapiro, internationally-known economist and economic advisor, and the chairman of Sonecon, today released "How the U.S. Postal Service Uses Its Monopoly Revenues and Special Privileges to Subsidize Its Competitive Operations." The study examines the range of government-based advantages enjoyed by the United States Postal Service (USPS), and how USPS leverages these privileges to cross-subsidize and thereby unfairly support its private sector operations. The study reports that the U.S. Postal Service's special benefits include its exclusive access to residential mailboxes and mailrooms of apartments and office buildings, a privilege which USPS uses not only for letter mail but also for package deliveries in its competitive operations with private firms. These privileges saved the USPS an estimated \$14.9 billion in 2013, while private delivery companies are barred from using mailboxes and mailrooms and must therefore bear the cost of leaving all deliveries at each customer's door. The study calculates that these arrangements have produced current subsidy rates in USPS's competitive operations of at least 10.8% for international mail, 27.2% for priority mail, 29.3% for ground shipping, and 30.1 % for first class package delivery. "The Postal Service's hybrid model has serious structural problems that distort the competitive delivery market by discouraging new entrants and greater investment by firms currently providing those existing services," writes Dr. Shapiro. "The ultimate losers are American consumers who pay too much for USPS's monopoly products and have to put up with less efficient and innovative markets for private deliveries of packages and express mail."

INTERNATIONAL NEWS

ITALY: The New York Times: Poste Italiane, the operator of the postal service in Italy, was valued at 8.8 billion euros, or about \$9.9 billion, in its initial public offering on Friday. Successfully selling shares in the postal operator is an important milestone for the Italian government as Matteo Renzi, the prime minister, seeks to reduce the country's debt by privatizing government-controlled assets. The company priced its offering of up to 498.3 million shares at €6.75 a share, the midpoint of its expected range of €6 to €7.50 a share. Its shares are expected to begin trading in Italy on Tuesday. "It is a clear sign of trust towards the strategic plan of the group as well as the new

growth path of the country," Pier Carlo Padoan, Italy's finance minister, said in a statement. The Italian government expects to raise as much as €3.4 billion and to sell up to 38.2 percent of the service if the overallotment is fully exercised.

CHINA: [Wall Street Journal](#): Authorities are tightening security checks on courier services across China following a devastating warehouse explosion and series of deadly parcel-bomb blasts. To step up scrutiny on the world's largest express-delivery market, the government is requiring X-ray checks on all mail, while courier services must inspect all packages before sealing them, China's Ministry of Public Security said Thursday. Users of delivery and logistics services are also required to register with their real names, according to an account on the ministry's website of an interagency meeting.

October 22, 2015

POSTAL/FEDERAL NEWS

Federal Register: Postal Regulatory Commission *NOTICES* New Postal Products , 64027 [2015-26818] [[TEXT](#)]

NATIONAL NEWS

[Daily Finance](#): To compete with FedEx (FDX) and UPS (UPS), the beleaguered U.S. Postal Service is testing enhanced services in select locations. Mail notification. This new service, which is expected to launch in New York City, will tell customers what's coming to their mailbox every day by sending e-mails they can read on their mobile device. The service doesn't include packages. Sunday delivery. This holiday season, some customers can expect their gifts and packages to be delivered on some Sundays leading up to Christmas. Sunday delivery will be offered in most major U.S. cities with high package volume. Same-day delivery. The USPS has a pilot program for same-day delivery in New York City. Grocery delivery. Working with Amazon, USPS is delivering groceries in some locations in California and New York. Alcohol delivery. Postmaster General Megan Brennan has said that delivering beer, wine and spirits would make the USPS more competitive. Current law prohibits U.S. mail carriers from delivering alcoholic beverages, so Congress would have to give its blessing.

[Wall Street Journal](#): How badly does Amazon.com want to find alternative means of delivery? The e-commerce giant briefly tested delivery of its packages in Chicago this year by using newspaper delivery carriers for the Chicago Tribune , the WSJ's Greg Bensinger writes. The test ended quickly, but Amazon remains focused on its broader bid to find a way to take advantage of the variety of courier trucks on the road, from flowers to pizza delivery. A few pizza boxes in a driver's front seat, for instance, leave available the trunk and back seats for parcels, after all. In the meantime, the company may be focused on bigger transportation network changes. **The DC Velocity publication reports Amazon has started assembling an executive team to develop its own delivery network, a move that would take the company away from its reliance on the U.S. Postal Service and private parcel carriers.**

[USA Today](#): Package delivery giant UPS (UPS) on Wednesday reached a \$4.2 million settlement for overcharging 17 states and three local entities by falsely recording that next-day delivery packages reached their intended destinations on time. The agreement, the Atlanta-based company's second on similar allegations this year, covers alleged wrongdoing from 2004 to 2014 in which some employees recorded inaccurate delivery times on packages that government customers sent via UPS next-day delivery services. The changes resulted in apparent on-time arrivals of premium-priced packages, even though the deliveries were late.

INTERNATIONAL NEWS

ITALY: [ANSA](#): The price for the upcoming IPO of Italian postal company Poste Italiane will be between 6.50 euros and 6.75 euros, sources said on Thursday. This is in the middle of the range of between 6.00 and 7.50 euros given in the flotation prospectus. The Italian government is selling a stake of around 40% in the company and the privatization is expected to raise 7.8 billion and 9.8 billion euros. As well as running Italy's postal service, Poste Italiane also has a thriving banking and financial services arm.

October 21, 2015

POSTAL/FEDERAL NEWS

Federal Register:

Postal Regulatory Commission	
NOTICES	
New Postal Products ,	
63848 [2015-26685]	[TEXT] [PDF]
63848-63849 [2015-26686]	[TEXT] [PDF]
Postal Service	
NOTICES	
Meetings; Sunshine Act ,	
63849 [2015-26889]	[TEXT] [PDF]

NATIONAL NEWS

Worcester Telegram: If you think it's taking longer to receive mail than it used to, you're not alone. James F. Gettens, a lawyer in Sterling, said a letter sent to him Sept. 17 from Fitchburg, two towns over, didn't arrive until Oct. 10. He said he's still waiting for his property tax bill and homeowners insurance renewal packet, which were mailed at the end of September. "I find it extremely disturbing. I don't know what other mail is still out there. Taxpayers and rate payers deserve better," he said. Mr. Gettens said a postal worker told him that the delays began when mail processing that was done at the Central Massachusetts Mail Processing and Distribution Center in Shrewsbury was moved to a Boston facility. He said he sent a letter to new Postmaster General Megan J. Bennis this week about the problem. "I have no doubt it's because U.S. Postal Service union honchos in Boston want the jobs down there. So we're suffering as a result out here," he said. John H. Flattery, president of the American Postal Workers Union AFL-CIO, Local 4553, said the delay and other problems with mail are because of what the USPS calls "Network Rationalization," involving the closing and consolidation of hundreds of processing and distribution centers nationwide. The goal is to save money for the cash-strapped agency.

The Atlantic: In an interview with Fusion's Felix Salmon the day after last week's Democratic debate and published Tuesday, Senator Bernie Sanders discussed the marquee features of democratic socialism he's been tirelessly calling for during his presidential campaign: higher taxes for the wealthiest Americans, an increased minimum wage, and breaking up the biggest Wall Street banks. Salmon also raised a possibility that has not been as prominent in Sanders's stump speeches, but animates him nonetheless: turning the U.S.'s post offices into banks.

PRNewswire: This Friday, October 23 at approximately 10:30 a.m. EDT the Independent Pilots Association (UPS pilots) will release the results of its strike authorization vote. IPA members are being asked to authorize a pilot strike against United Parcel Service. If approved, the five-pilot Executive Board of the Independent Pilots Association will have the authority to formally request a release from federally mediated negotiations with UPS, and the discretion to conduct a strike once mediation is concluded. UPS and its pilots began negotiating in August 2011.

Logistics Management: The FedEx union pilots represented by the Air Line Pilots Association (ALPA) has signed a new contract with FedEx management, according to ALPA officials. ALPA said that the new contract takes effect in November and becomes amendable in 2021. And it added that the new contract is comprised of across-the-board increases for hourly pay rates and new-hire compensation, a significant signing bonus, retirement plan enhancements, and work-rule improvements, among other positive modifications.

INTERNATIONAL NEWS

JAPAN: [*The Straits Times*](#): Japan's regional banks need a little shaking up: There are far too many of them, profits from loans are shrinking, and their customers are disappearing. The enormous privatisation of Japan Post coming up next month may just help spur them into action.

NIGERIA: [*AllAfrica*](#): Since the advent of the dot-com era in 1990's, business managers have not only been compelled to change their business policies but align the approach in tandem with the requirements of the time. With the gradual unfolding of technological innovations in this digital era, and multiple competing options in communication and social interaction space, many have doubted the chances of the Post finding a space to ply its trade of processing traditional mails side by side with the emerging digital media. Although NIPOST is going through trying times, the management has maintained a positive posture that a silver lining still lays ahead of the once bubbling organization. Immediate past Post-Master General, of the agency, Mr Mori Baba, in his valedictory speech, said that Information and Communication Technology (ICT) was never a threat to the operations of NIPOST but NIPOST is rather using ICT as a tool to further improve on the efficiency of its service delivery.

SOUTH AFRICA: [*AllAfrica*](#): The cash-strapped South African Post Office (Sapo) will struggle to pay its staff their salaries in October 2015. This is according to a written response on October 16 by Sapo to the Communication Workers Union (CWU), the South African Postal Workers Union (SAPWU) and the Democratic Postal and Communication Union (DEPACU) regarding October 2015 salary payments.

EUROPE: [*Wall Street Journal*](#): FedEx Corp. said Tuesday it had been informed that it won't be challenged by European regulators in its acquisition of Dutch parcel firm TNT Express NV, clearing one of the biggest hurdles in the nearly \$5 billion deal.

October 20, 2015

POSTAL/FEDERAL NEWS

USPS Office of the Inspector General: [*Try It, You'll Like It*](#) -- Coupons, sales, two-for-one offers, and loyalty programs are just a few of the countless types of promotions businesses use to move inventory or get consumers to try new products and services. Commercial enterprises offer deals, specials, or rewards programs from time to time because ... they often work. Chances are one of these marketing techniques recently influenced your buying decisions Marketing gurus preach that, while promotions often get people in the door, organizations will get the most out of their promotions if they have a strategic plan with specific goals that can be measured and analyzed Do you think mail promotions will prompt organizations to send more mail? How do you think success of these programs is best measured? What kinds of promotions would you like to see the Postal Service offer?

Federal Register:

Postal Regulatory Commission	
PROPOSED RULES	
Periodic Reporting , 63482–63483 [2015–26549]	[TEXT] [PDF]
NOTICES	
New Postal Products , 63592–63593 [2015–26548]	[TEXT] [PDF]
Postal Service	
NOTICES	
International Product Changes:	
Global Expedited Package Services: Non-Published Rates ,	

	63593 [2015–26512]	[TEXT] [PDF]
Product Changes:		
	Priority Mail Negotiated Service Agreement ,	
	63593 [2015–26511]	[TEXT] [PDF]

NATIONAL NEWS

Linns: A year after the United States Postal Service slashed parcel prices for big commercial shippers by as much as 58 percent, it is planning to boost its Priority Mail shipping prices by 9.8 percent. The higher rates represent an effort by the financially troubled Postal Service to get more revenues out of its fastest growing mail segment — shipping services. Both of its major parcel competitors, FedEx Corp. and United Parcel Service Inc., have publicly warned the USPS that it could risk pricing itself out of some parcel markets, such as lightweight packages, with these proposed sharp increases. But the USPS attempted to minimize the size of the planned increases by noting that the increases are the first in three years for its commercial Priority Mail products and, if averaged, the increase would be "less than 3.3 percent per year."

Wall Street Journal: E-commerce is changing the shape and the scale of warehouses. A new report says warehouses are getting super-sized as online sales fulfillment pushes the limits of logistics capacity, the WSJ Logistics Report's Loretta Chao writes. The report by Colliers International says big distribution centers have doubled in size in recent years. This is because fulfilling individual e-commerce orders takes more manpower, equipment and space than traditional warehouses can handle. One expert estimates that e-commerce warehouses packing individual customer orders employ as many as three times the workers than traditional warehouses use. But growing use of automation also allows companies to stack inventory higher, making use of the space more efficient even if overall operations are more complicated than ever.

INTERNATIONAL NEWS

JAPAN: Wall Street Journal: There is big investment interest in Japan's post office, but it's not necessarily aimed at the delivery operations. The WSJ's Atsuko Fukase reports that state-owned Japan Post Holdings Co. set the prices for two spinoff initial public offerings that will make for Japan's biggest share offering in nearly two decades. The Japan Post Holdings Co. move to spinoff Japan Post Bank and Japan Post Insurance reflects the broader overhaul of postal operations that is going on around the world. Japan Post itself is due for an IPO that will test investor interest in the traditional delivery and logistics business under the postal umbrella. That could bring Japan Post the backing to invest more in e-commerce distribution—and perhaps reach outside Japan for stakes in international logistics business.

October 19, 2015

POSTAL/FEDERAL NEWS

USPS Industry Alert: Introducing the Industry Resource Guide Over the past year, the USPS Industry Engagement & Outreach team has been listening to mailing industry members in regards to making it easier to find information on various topics and how we can communicate better with the industry. One of the messages clearly heard was a request for tools to help locate and/or who to contact for specific topics. We are pleased to introduce the Industry Resource Guide (IRG). To help meet your needs, the IRG is a living document we have posted on the Industry Outreach page of RIBBS.usps.gov. In the guide, there are links and URL addresses making it easier to find information on: · Area Mailing Industry Focus Groups · FAST · USPS Service Alerts · IMb Planning Tool · And much more You will also find contact information for Headquarters and Area personnel to assist you with your needs. The IRG also provides a link to Business Service Network, Business Mail Acceptance, and other District level support contacts for local issues. We will continually update the document so industry members will always have access to the latest information. You can find this new tool at RIBBS.usps.gov. Click on the link titled **Industry Resource Guide/USPS Area and HQs Contacts Guide**. Save it to your favorites or print a copy to have

on hand. We encourage you to take look at the website and let us know what you think. We are always open to suggestions to make this information more useful to your day to day business.

USPS Industry Alert: The October 19 issue of [Mail Spoken Here](#) has been posted on this site. **NOTE: New USPS Vice President of Corporate Communications** On October 16, 2015, the U.S. Postal Service announced that **Janice Walker** will be joining their ranks as **Vice President of Corporate Communications**. Ms. Walker will be responsible for all aspects of internal and external communications; leading efforts to advance public understanding of USPS products, services, and corporate mission. With over 30 years of corporate communications, non-profit leadership, and public relations agency experience, Janice has an extensive background in public affairs, community engagement, crisis and issue management, brand management, and product promotion. Previously, she served as Vice President of Corporate Communications for First Marblehead Corp., as well as, numerous communications positions over a 20-year career with Fannie Mae in Washington, D.C., including Vice President of News and Public Affairs, and Director of Regional Communications



Mailers Technical Advisory Committee: MAIL PREP AND ENTRY FOCUS SESSION WEBINAR Thursday, November 5 from 2:00 p.m. – 3:00 p.m. (EST) The Mail Prep and Entry Focus Group will host a webinar for MTAC members that will include updates normally given during the focus group meetings at MTAC. Covering these topics in advance of MTAC week will allow time to share new opportunities and have more robust discussion on topics of interest at the face-to-face focus group meeting. Agenda topics will include: § FAST Update § USPS Communications for service disruptions § Surface Visibility § Work Groups / User Group Update § Remittance Update Registration Required. Instructions for participating in the webinar appear below: Attendee Information US/Canada Attendee Dial-in: (866) 381-9870 Conference ID: 64026075 Attendee Direct URL: <https://usps.webex.com/usps/onstage/g.php?MTID=eb1f79b617fcbac32133440913b2812de>

NATIONAL NEWS

Wall Street Journal: The U.S. Postal Service on Friday said it would seek to increase its commercial-package shipping prices by an average of 9.5% and by the double digits for its bread-and-butter business of shipping packages weighing less than a pound. The quasigovernmental agency, which perpetually struggles with red ink, has been relying increasingly on its package business in recent years as e-commerce takes off and emails replace first class mail. The agency has focused on improving its package-service options, including tracking and insurance, and now it has more headroom for raising prices in some areas—especially when it comes to lightweight residential deliveries. But the lightweight end of that service currently earns only about a penny a package. As a result, the postal service has asked to raise the Parcel Select Lightweight prices by 23.5%. Parcel Select packages outside that category would increase 3.1% on average. UPS and FedEx have publicly warned that USPS runs the risk of pricing itself out of the market for those lightweight deliveries.

Forbes: In the past couple of years, giants like Uber and Amazon have attempted to confront the areas where UPS, FedEx FDX +0.00%, and DHL are failing, that is, accountability and customer service. They understand that the millennials who run today's on-demand economy don't have the time or patience to deal with delays and lost items. There's also dozens of technology platforms like Bringg and Postmates that are on a path to disrupt the inefficient status quo by providing on-demand courier services—essentially, encouraging customers to track deliveries in real time. But while Postmates is intended for everyday people searching for nearby items, Bringg targets enterprises looking to take control of their logistics and deliveries. In contrast to Amazon, who relies on UPS, FedEx, and DHL to fuel their deliveries, a business that ditches the unreliable tracking number and monitors their delivery service in-house is able to provide their customers with real package tracking and real customer service. It's hard to get that when UPS, FedEx, and DHL don't offer full transparency for their customers. Sure, the tracking number tells us what state the package is vacationing through, but besides that, it's not much help. You still took off work and wasted your entire afternoon waiting for your package to arrive, because DHL told you to be home between 12 and 4pm.

eCommerceBytes: The USPS plans to raise rates in January for its shipping services, including Priority Mail and other services popular with smaller online merchants. The rate changes include an almost 10% average rate increase

for Priority Mail. The Postal Service also revealed plans to do away with Commercial Plus pricing, and on the face of it, that could have a major impact on many small and medium-sized merchants.

INTERNATIONAL NEWS

QATAR: [*Gulf Times*](#): Q-Post, the Qatar National Postal Services Company, will launch several new services soon to augment the e-Commerce market in the country. "New channels of delivery such as Parcel e-Locker; Home Delivery; Ship 2-Q; Q- Shop and Q- Market are among the services," said Faleh Mohamed al-Naemi, chairman and managing director, Q-Post.

KENYA: [*Daily Nation*](#): Postal Corporation of Kenya and e-commerce firm KiliMall signed a deal to enable online shoppers use over 600 post offices countrywide as collection points and order placement branches. Through the arrangement, KiliMall is looking to face off foreign online retailers such as Jumia and OLX Kenya by penetrating deeper into the rural using Posta's massive infrastructure. E-commerce in Kenya continues to contribute immensely to the Kenyan economy as internet users continue to increase. Kenya recorded 36.1 internet subscriptions at the end of June up from 34.8 million in the previous quarter, according to the recent Communication Authority statistics. The deal is also expected to help revitalise the postal corporation by taking advantage of changing shopping trends as Kenyans take to the internet for cheaper deals.

October 18, 2015

POSTAL/FEDERAL NEWS

Attention Postal One! and Business Customer Gateway Users:

- **PostalOne! Scheduled Maintenance** –The PostalOne! scheduled maintenance is complete and the system is available. As a reminder: (1)A new Mail.dat® client download 41.3.1.0_PROD is available. This download is optional and users can continue to submit files using Mail.dat client Version 41.3.0.2_PROD. (2) Mail.dat® client download 41.3.0.2_PROD will continue to be supported. (3) Mail.dat® client download 41.2.0.0_PROD will continue to be supported through Nov. 1st. (4) Mail.dat® client download 41.1.0.0_PROD will continue to be supported through Nov. 1st.
Note: Pending feedback for 41.3.1.0_PROD Mail.dat® client versions 41.1.0.0_PROD and 41.2.0.0 will be expired Nov. 1st
- **The Business Customer Gateway/eAdmin Oracle 12c Production upgrade** is complete and the BCG is available for use. All other maintenance activities, such as PostalOne! and SASP, are ongoing.
- **FAST® Release 31.5** has been deployed to the Production environment and is available.
- **FAST Release 31.5 Test Environment for Mailers (TEM) Access:** will be deployed to TEM environment on Tuesday, October 20, 2015. FAST TEM systems will not be available from 8:00 am CT through 12:00 pm CT on Tuesday, October 20, 2015.
- **Seamless Acceptance and Service Performance (SASP) Release** is ongoing.

DOMESTIC NEWS

[*American Criminal Law Review*](#): The federal mail and wire fraud statutes are powerful tools for prosecutors because they apply to a wide range of conduct. The statutes have often been used as a "first line of defense," or "stopgap" device, to permit prosecution of new forms of fraud until Congress enacts particularized legislation to combat the new fraud. Consequently, the mail and wire fraud statutes have been referred to as a prosecutor's "secret weapon." Although Congress enacted the mail fraud statute with the initial purpose of securing the integrity of the United States Postal Service ("USPS"), the statutes have now been applied to many modes of communication. In addition, the statutes provide federal courts with jurisdiction over a broad array of frauds, encompassing "not only the full range of consumer frauds, stock frauds, land frauds, bank frauds, insurance frauds, and commodity frauds, but [also] . . . such areas as blackmail, counterfeiting, election fraud, and bribery." Prosecutors also use these statutes to aid in prosecuting money laundering and Racketeer Influenced and Corrupt Organizations Act ("RICO") violations. Subsequent congressional action has both broadened the scope of the mail and wire fraud statutes and

enhanced the criminal penalties for offenses under these statutes. In response to new schemes, which bypassed the USPS by using private carriers, Congress amended the mail fraud statute in 1994 to cover mailings delivered by private interstate commercial carriers.

[International Series in Operations Research & Management Science:](#) *"Modeling the Location of Retail Facilities: An Application to Postal Service"* -- There is a substantial theoretical literature on the location of retail facilities in space assuming that the spatial demand curve is known, or that the ideal data needed to estimate such a curve is available. This study shows how to implement a formal location analysis for a retail activity (postal services) when all that is known is revenue of currently operating facilities. Further complications, such as the delivery of retail services through two different types of outlets are also accommodated by the method. In the end, it is possible to implement a formal business model for the delivery of retail postal services that allows the user to simulate the consequences of dramatic changes in the way that those services are supplied to the public.

[Collaboration Technologies and Systems:](#) *"The Internet of Postal Things"* -- The U.S. Postal Service has always been a major creator of large datasets - from mail origin/destination information to quality of service data, and letter mail scans. Recently, the U.S. Postal Service (USPS) Office of Inspector General has been examining how postal operators and customers could benefit from the big data USPS has access to. In this talk we envision an Internet of Postal Things (IoPT) that embeds sensors and other data collection technologies into physical objects, infrastructures, and the surroundings in which people live and businesses operate. The declining cost of sensors, wireless data connectivity and storage opens up virtually unlimited opportunities to collect and process data from any device, infrastructure, machine and even human beings. The IoPT would transform the postal infrastructure (vehicles, mailboxes, machines, letter carriers etc.) and help the USPS bring data management to the next level. It would create new rich data sources that could help the Postal Service improve operational performance, customer service, create new products and services, and support more efficient decision-making processes. The IoPT could also have a positive effect on non-postal sectors. For example, the use of sensors on postal trucks to collect environmental data could benefit local governments. This talk will describe our exploration of the concept and how it could apply to the Postal Service.

[D-Space@MIT:](#) The Second Machine Age has ushered in a new digital economy, which is transforming the way the world communicates and conducts business. Consequently, USPS faces unprecedented challenges, including nearly a decade of declining mail volume and inflexible business conditions that make it difficult to sufficiently react. The Postal Service must continue to transform and adapt to advance as a vital service organization. To fully understand the capability to adapt, this thesis will explore the long Postal Service history of embracing innovative technologies and organizational transformations to meet the changing needs of the American public. The Postal Service has been exploring innovative strategies to continue to adapt to a rapidly changing digital economy. For a new strategy to be successful it must align with the firm's industry positioning, competitive resources, organizational capabilities and existing business conditions. This thesis will analyze the USPS positioning within the two industries that it currently operates, and examine existing Postal Service resources, positioning and capabilities to identify competitive advantages that can be leveraged to implement innovative competitive initiatives. This thesis will develop an understanding of its organizational capabilities and evaluate existing business conditions that impact the ability to implement new strategies. This thesis will then evaluate potential strategies based on their ability to leverage these competitive advantages, align with organizational capabilities, and navigate current business conditions. Finally, strategic frameworks will be applied to evaluate and prioritize strategies based on their industry attractiveness, viability and competitive sustainability. Ultimately the goal is to provide strategic recommendations to leverage organizational capabilities and resources and help the Postal Service advance as a vital 21st century service organization and meet the changing needs of the American public.

[Journal of Competition Law & Economics:](#) *A paper by Gregory Sidak* -- The Postal Regulatory Commission (PRC) regulates the pricing of the U.S. Postal Service's products, including products not protected by the Postal Service's statutory monopolies that the enterprise sells in competition with the products of private firms. The Postal Accountability and Enhancement Act (PAEA) of 2006 created new requirements for the PRC's pricing regulation of competitive products. I evaluate the economic implications of the PAEA's three primary requirements with respect to the Postal Service's pricing of competitive products: preventing cross subsidy of competitive products by monopoly products, ensuring that competitive products cover their "attributable" costs, and allocating to competitive products an appropriate share of the Postal Service's common costs (known as "institutional" costs in postal

regulatory jargon) . . . I identify and analyze the implications of three possible rationales: (1) ensuring that the Postal Service fulfills its essential mandate to deliver monopoly ("market-dominant") mail services, (2) ensuring that the Postal Service fulfills its fiduciary duty to taxpayers as a state-owned enterprise, and (3) preserving competitive parity in markets in which the Postal Service competes with private firms.

INTERNATIONAL NEWS

NEPAL: [*Nepal News*](#): It has been found that even the government offices and local bodies have been apathetic to the use of postal service in Chitwan. Acting Chief of Chitwan Postal Office Srikrishna Nepal shared that even the District Development Committee, Bharatpur Sub-metropolis, Women Development Office and Financial Comptroller Office among others in Chitwan do not use the state-sponsored postal service. The government and public offices are showing reluctance to use the service though the existing rule has stipulated for government offices to dispatch ordinary and registered letters through postal office, he said. However, the District Administration Office is using the postal services. Among other users are the Chitwan are District Education Office, Office of Statistics, Survey, Revenue and Public Health. These offices are also not found to have been entirely using postal services. The district has more than 40 government offices. The use of postal service by government offices is dismal in the district.

NIGERIA: [*Leadership*](#): Following the retirement from office of the former Post Master General (PMG) of the federation, Ibrahim Baba from the Nigeria Postal Service (NIPOST) in August, a battle is raging among top officials in the service over who succeeds him. LEADERSHIP Sunday gathered that already, intense lobbying is ongoing over who emerges the next PMG of the federation. Amidst the lobbying, the Federal Government it was gathered, has thrown the vacancy open for all those qualified to apply for it. While some of the contenders are basing their arguments on career progression, saying the most senior deputy PMG in the service should be appointed, some others have made a case for competence and reflection of federal character principle. The immediate past PMG is from Kebbi State. There are currently six deputy Post Master Generals in the service, all of whom are eyeing the top job.

EUROPE: [*Postal Services Marketing*](#): The liberalization of postal services, the emergence of new postal operators, creating postal markets, as well as the growth and diversification of human needs, have led to a rapid development and diversification of postal services. Postal market is a market governed by the same laws as other economic markets, with the essential postal services and virtual stores that are covered by specific legislation. The two components of the postal market have great merit to contribute to eliminating discrepancies: between rural areas and urban areas, between rich and poor areas by facilitating the access of goods to the population of these areas, and on the other hand manufacturers of goods may be made in these areas. This new function of the postal service, leads to a new postal strategy that is based on marketing.

EUROPE: [*Science Direct*](#): "*The efficiency of postal services in the age of market liberalization and the internet: Evidence from Central and Eastern Europe*" -- The rise in electronic communications and the recent liberalization of the postal market in the European Union have put national postal-service providers in Central and Eastern Europe (CEE) under pressure to restructure and optimize their operations. The paper employs non-parametric methods to measure the relative technical and cost efficiency of CEE postal operators in terms of quantity-based and quality-based output indicators. The results indicate that inefficiency varies between 20% and 30%. Regression analysis attributes efficiency gains to increased competition, institutional reforms, less burdensome customs procedures, and population density, while use of electronic mail was negatively related to postal-service efficiency.

CHINA: [*Journal of Systems Science and Information*](#): Focusing on the universal express service market, this paper introduces a cooperative mechanism between China Post and private express companies. To investigate whether this cooperative mechanism works, the authors develop a pricing model for the express service market in three different scenarios, i.e., China Post monopolizes the remote area market, competes with a private express company, and cooperatively provides service to the private company. Comparison between the three different scenarios shows that the proposed cooperative mechanism will benefit both firms. The authors also introduce a revenue sharing contract to coordinate the system, and investigate the optimal regulation price

MALAWI: [*Durbin University of Technology*](#): Achieving customer satisfaction has been the goal of every organisation. In recent times, the postal business world over has experienced a sharp decline in the volume of mail due to more efficient alternative channels of communication. The dwindling volumes of mail have necessitated that public postal operators diversify into financial services as one way of generating more revenue. The Malawi Posts Corporation (MPC) is faced with challenges ranging from cash scarcity, increasing competition from banks and other financial services players like mobile phone companies. At the same time, the customer in the modern age is well informed and demanding high quality service. As such, the MPC needs to ensure that customers remain satisfied with the quality standards being delivered in its network. The importance of achieving service quality and satisfaction are enormous. High quality service and customer satisfaction are tools for competitiveness, productivity and profitability. The aim of this study is to analyse service quality in the Malawian public postal service.

UNITED KINGDOM: [*ComputerWeekly*](#): Royal Mail has deployed ServiceNow to manage its multi-sourced IT function using the service integration and management (SIAM) and information technology infrastructure library (ITIL) version 3.0 frameworks. The cloud-based service desk tool has now been updated to the latest release and is being used to manage 27,000 desktops, several thousand Windows phones and 100,000 Windows-based personal digital assistants (PDAs).

October 17, 2015

DOMESTIC NEWS

[*CCJOnline*](#): The judge overseeing a class action lawsuit against FedEx Ground over its classification of certain drivers as independent contractors instead of employees has approved the company's June-announced \$228 million settlement with 2,300 California-based FedEx drivers. The settlement will resolve the legal battle that's now stretched a decade, as the original complaint in the case was brought against the LTL giant in 2005. Truck operators for the company claimed their designation as contractors, and not company employees, kept them from being eligible for certain state-required employee benefits like overtime pay and rest breaks.

[*Wall Street Journal*](#): UPS said that beginning next year it would start charging for third-party billing. The move is aimed at reining in the practice among many online marketplaces that allow merchants who sell goods through their sites to use their UPS discounts by printing shipping labels straight from their accounts. "The number of transactions that are going online for third-party arranged shipments has increased to the point where it's appropriate for us to establish a fee," a UPS spokesman said. The new third-party surcharge of 2.5% of the total price of a package helps assure UPS is properly compensated for its services, he added. This new fee also will affect retailers that allow vendors to use the discounts to ship directly to consumers—skipping the middleman—or direct goods to their own shelves for restocking.

INTERNATIONAL NEWS

ITALY - JAPAN: [*Financial Times*](#): For Poste Italiane and Japan Post Holdings, the real determinant of future performance will be changes to how their finance businesses are regulated. For neither company really does what it says on the tin. Each earns about a tenth of revenues from postal services. The majority of the top line comes from insurance, and another slug comes from banking (Japan Post Holdings will list a tenth of each of its financial subsidiaries separately). This is no bad thing. Traditional postal services are declining and competition in the one growth area, parcels, is severe. The obligation to deliver standard post to every doorway is a burden. But the store networks attached to postal services — Japan Post has 24,000 post offices, Poste Italiane 13,000 — are a boon. They facilitate distribution of financial products on a scale impossible for others to match: Japan Post Bank, for instance, has a fifth of the nation's deposits.

IRELAND: [*Independent*](#): The union representing workers at the centre of a row which halted the country's postal service for days is recommending to its members that they accept proposals aimed at resolving the dispute.

CANADA: [*CBC*](#): It's been almost two years since Canada Post announced its controversial plan to overhaul its operations, and the outcome of Monday's election may determine whether it will ever finish the job. The NDP has

said it will, if elected, tell Canada Post to reverse course on its plan to replace some home delivery with community mailboxes — the most contentious part of its five-point, five-year strategy — while the Tories say they stand by the changes which were announced, during their watch, in late 2013. The Bloc Québécois and Greens also oppose the end of door-to-door and, like the NDP, have also come out against the postal service's plan to eliminate as many as 8,000 jobs. The Liberals have been less clear on their position — more on them later. One analyst says the route Canada Post has charted leads not to a bright future, but into a "death spiral" of higher prices and poorer service.

October 16, 2015

POSTAL/FEDERAL NEWS

Postal Regulatory Commission:

- **CP2016-9 Notice of the United States Postal Service of Changes in Rates of General Applicability for Competitive Products Established in Governors' Decision No. 15-1** <http://www.prc.gov/docs/93/93564/Notice%20CP2016-9.pdf>
<http://www.prc.gov/docs/93/93564/Price Calc Files.Redacted.zip>

PostCom Summary.

- Overall, the Priority Mail Express price change represents a 15.6 percent increase. The existing structure of zoned Retail, Commercial Base, and Commercial Plus price categories is maintained. However, the Priority Mail Express Flat Rate Box will be eliminated because of insufficient volumes.
- On average, the Priority Mail prices will be increased by 9.8 percent.
- The existing structure of Priority Mail Retail, Commercial Base, and Commercial Plus price categories is maintained. However, the Regional Rate Box C and Critical Mail will both be eliminated because of low customer usage.
- On average, prices for non-Lightweight Parcel Select, the Postal Service's bulk ground shipping product, will increase 3.1 percent.
- For destination entered parcels, the average price increase is 4.9 percent.
- For non-destination entered parcels, the average price increase is 1.9 percent.
- **Prices for Parcel Select Lightweight will increase by 23.5 percent.**
- Parcel Select Nonpresort will be rebranded as Parcel Select Ground, and will see a 1.9 percent price increase.
- The Parcel Select Origin Network Distribution Center (ONDC) Presort and Network Distribution Center (NOC) Presort price categories will be eliminated because of low customer demand, and in order to simplify product offerings.
- Parcel Return Service prices will have an overall price increase of 5.0 percent.
- Prices for parcels retrieved at a return Sectional Center Facility (RSCF) will increase by 5.0 percent, and prices for parcels picked up at a return delivery unit (RDU) will increase 5.0 percent.
- Return Network Distribution Center (RNDC) pricing will be eliminated because of low customer demand, and in order to simplify product offerings.
- First-Class Package Service continues to be positioned as a lightweight (less than one pound) offering used by businesses for fulfillment purposes.
- Overall, First-Class Package Service prices will increase 12.8 percent.
- To simplify the First-Class Package Service product, the 3-digit, S-digit, and ADC presort levels will be eliminated.
- The 14, 15, and 15.999 ounce offerings that are currently only available as Commercial Plus will be consolidated into the Commercial Base price category, allowing the Commercial Plus price category to be eliminated, thereby streamlining the First-Class Package Service offering.
- Standard Post will be renamed Retail Ground beginning in January 2016, and prices will increase 10.0 percent.

- Customers shipping in Zones 1-4 will continue to receive Priority Mail service and will only default to Retail Ground if the item contains hazardous material or is otherwise not permitted to travel by air transportation.

USPS Industry Alert:

First Price Increase in Three Years for Commercial Priority Mail Scheduled for January 2016. No Increase in Forever Stamp Prices or Other Mailing Product Prices. No Increase in Shipping Prices Until After the Holiday Season. — Today the United States Postal Service filed notice with the Postal Regulatory Commission (PRC) of **proposed price changes for its Shipping Services** products to take effect next year, following the conclusion of the holiday season. The filing does not include any price increase for First-Class Mail or any other Postal Service Mailing product such as the Forever stamp. The Postal Service continues to provide excellent value and reliability for the shipping industry along with convenient choices for consumers.

The average Shipping Services price change is 9.5 percent which results in an average shipping price of less than \$5.50 per shipment across all shipping products. The new prices, if approved, represent the first price increase in more than three years for commercial Priority Mail. The average price increase for Priority Mail is 9.8 percent; when calculated over the three-year period since the last increase, the overall Priority Mail price change averages less than 3.3 percent per year. The PRC will review the prices before they are scheduled to become effective on Jan. 17, 2016. The complete Postal Service price filing with the new prices for all Shipping Services products can be found on the PRC website under the Daily Listings section: <http://www.prc.gov/dockets/daily>.

The Postal Service continues to enable America's e-commerce growth and enhance its portfolio of mailing and shipping solutions to best meet the evolving needs of our business and residential customers. The Postal Service receives no tax dollars for operating expenses and relies on the sale of postage, products and services to fund our operations. The price changes which the Postal Service has proposed today help to fund our infrastructure and support our ability to provide prompt, reliable and efficient universal service to the American public.

USPS Industry Alert: USPS Update on Fall Mailing Season Webinar Series October 23, 2015 from 2:30PM to 3:30PM (EDT) The Postal Service would like to update mailers on its fall mailing season readiness plans. Linda Malone, Vice President Network Operations, and her staff will present the remainder of several webinars over the next two months updating mailers on important information regarding fall mail conditions. The next webinar in the series will be held on October 23, at 2:30 p.m. (EDT). One additional webinar will be held on November 20, 2015. Please review information in the alert for instructions on how to participate in the next call. In preparation for this busy time of year, the Postal Service has been adjusting plans to ensure that mailers have the necessary equipment, transportation, and resources for a successful season. The Postal Service has been working to ensure customer communication plans, mail processing, sort programs are in place and has expanded FAST appointments and has deployed additional equipment to manage volumes and to monitor cycle times. The webinars are designed to give you up to date information and an opportunity to ask questions. If you have suggestions for topics and/or questions to submit in advance please do so by sending it to IndustryAlert@usps.gov. The Postal Service is committed to working closely with our customers to help them plan their mailings throughout the Fall Mailing Season and we hope that you can join us. Agenda topics will include: § Service Performance § Columbus Day Weekend Takeaways § FAST Update § MTE Update § Moving Forward: Fall Mailing to Peak Season § USPS Commitment Participant information is provided below: Attendee Information US/Canada Attendee Dial-in: (866) 381-9870 Conference ID: 46885244 Attendee Direct URL: <https://usps.webex.com/usps/onstage/g.php?MTID=e47f28e894fd284d538d51e52a3b91ffe>

Mailers Technical Advisory Committee: Visibility/Service Performance Measurement/Addressing Focus Session Webinar Thursday, November 5 from 11:00 a.m. – Noon (EST) The Enterprise Analytics Focus Group will host a webinar for MTAC members that will include updates normally given during the focus group meetings at

MTAC. Covering these topics in advance of MTAC week will allow time to share new opportunities and have more robust discussion on topics of interest at the face-to-face focus group meeting. Agenda topics will include: § Service Performance § Addressing Update § Package Services Update Registration Required. Instructions for participating in the webinar appear below: Attendee Information US/Canada Attendee Dial-in: (866) 381-9870 Conference ID: 51518782 Attendee Direct URL:

<https://usps.webex.com/usps/onstage/g.php?MTID=ed465c95e1f829bb2fbdb7634f815cbb1>

USPS Office of the Inspector General:

- **Management Advisory: Des Moines, IA Network Distribution Center Operations**

Background .U.S. Postal Service network distribution centers (NDC) are part of a national system of 21 highly mechanized and automated mail processing facilities with a transportation network dedicated to handling and moving Standard Mail, Periodicals, Package Services, and other mail classes. On March 24, 2015, Senator Charles Grassley requested the U.S. Postal Service Office of Inspector General (OIG) review complaints regarding Des Moines, IA, NDC processing and transportation operations. Our objective was to determine the validity of the 13 complaints concerning mail processing and transportation issues.

What The OIG Found. We reviewed 13 complaints and found four were substantiated. Specifically, we found: Employees were not always properly handling damaged mail. Employees were not always timely notifying customers about their damaged mail. Employees were not properly restraining trailer loads of mail. The NDC's physical timecard controls did not exist. In addition, we found three complaints were partially substantiated. Specifically: Some employees did not have documented training records for scanning mail. Employees did not always properly color code mail to ensure correct processing order. More than one supervisor per tour authorized overtime but not all supervisors were trained. The remaining six complaints were not substantiated. Those complaints were: Employees were generally working unauthorized overtime. Employees were making overpayments to a Mail Transport Equipment Service Center contractor. A mail consolidation contractor was not properly notifying NDC management when mail was returned to the center. Internal controls were inadequate to ensure all mail was dispatched. Forklifts and pallet jacks were not used properly. Employees were assigned to duties for which they were not trained and on-the-job trainers do not provide training.

Highlights We reviewed 13 complaints and found four were substantiated. In addition, we found three complaints were partially substantiated. The remaining six complaints were not substantiated.

What The OIG Recommended. We recommended the vice president, Western Area, instruct the manager, Des Moines NDC, to ensure damaged mail is processed according to the national standard operating procedure and require employees to timely notify customers when contents are separated from the packaging. We also recommended the vice president, Western Area, instruct the manager, Des Moines NDC, to require employees to restrain trailer loads about every 10 feet, ensure that timecards are secured, and provide and document training to employees with scanning responsibilities. Lastly, we recommended the vice president, Western Area, instruct the manager, Des Moines NDC, to ensure the national standard operating procedure for color coding is followed and ensure supervisors approving overtime are trained to use the Time and Attendance Control System.

NATIONAL NEWS

Associated Press: Federal prosecutors say two mail carriers have been charged with taking bribes in exchange for helping a western New York drug ring.

Position Available: **VP OF MARKETING** If you know you are an A player, a marketing expert who loves direct and multichannel marketing, and you want to be with the industry leader and take that industry leader to that next level, this could be your dream-come-true job.

Government Executive: Sen. Bernie Sanders, I-Vt., has a louder megaphone than at any point in his political career, and he's using it to amplify issues he has been talking about for decades. One such issue: the U.S. Postal Service. After the Democratic presidential debate in Las Vegas on Tuesday, Sanders stuck around on Wednesday to address the American Postal Workers Union All Craft Conference. Sanders, a long-time USPS advocate, spoke of his desire to preserve postal delivery standards and eliminate the agency's requirement to prefund future retirees' health benefits. The senator praised the Postal Service's ability to deliver mail to any customer, "whether you are a low-income elderly woman living at the end of a dirt road in Nevada or Vermont or a wealthy CEO living on Park Avenue." "The beauty of the Postal Service is that it provides universal service six days a week to every corner of America, no matter how small or how remote," Sanders said. "It supports millions of jobs in virtually every sector of our economy. It provides decent-paying union jobs to some 500,000 Americans, and it is the largest employer of veterans."

Wall Street Journal: United Parcel Service Inc. will charge more to ship larger and heavier packages this holiday season and plans to charge a fee for packages that are billed to a third party as it moves to recoup some of the higher costs of handling the larger shipments that are causing delivery logjams. On Thursday, UPS said as of Nov. 2 it will charge an additional \$52.50 for those larger and heavier packages and raise fuel surcharges to 5.25%, from 4.75%, for ground shipping and to 4.50%, from 3%, for air and international shipping. Currently, UPS charges \$57.50 for oversize packages. UPS has struggled to meet demand—and delivery dates—during the most recent holiday seasons. In 2013, an unexpected surge of online orders overwhelmed its system. Last year, it over-prepared and productivity plummeted.

Effective November 2, 2015, the surcharge will increase for Over Maximum Packages and the tables for Ground, Air and International fuel surcharges will be updated. Effective January 4, 2016, there will be a charge for UPS's Third-Party Billing Service. The rate and surcharge changes are to address the impact of increased costs, changing demand for select UPS products and other market factors. For additional information and to review the new 2015 and 2016 rates, visit www.ups.com/rates. Customers can download the full 2016 UPS Rate and Service Guide beginning December 28, 2015.

INTERNATIONAL NEWS

AUSTRALIA: Post & Parcel: In a statement issued yesterday (14 October), Australia Post said that the discount was part of "a wide-ranging package to support customers through mail reform". Australia Post confirmed the details of the package following an industry forum in Sydney last week which was attended by representatives from employee unions, the printing and direct mail industry and the licensed Post Office network. Responding to feedback from forum representatives, Australia Post has developed a "support package" which includes: increasing the discount on Promo Post to 25% off the PreSort price until mid-2017, limiting the price of the Priority stamp price to no more than 1.5 times the Regular service stamp price, continuing to minimise increases for the not-for-profit sector by increasing the discount for charity mail, maintaining the concession stamp price at 60 cents, available to 5.7m eligible Australians, freezing the price of a seasonal greeting card at 65 cents.

CANADA: CBC: A curious election ad placed in a local newspaper by Conservative candidate Cheryl Gallant has raised the ire of postal workers, who say it contains "a series of falsehoods," not to mention their union's logo. Gallant, who voted with her party to defeat an NDP motion to maintain door-to-door delivery, calls on voters in the Ontario riding of Renfrew-Nipissing-Pembroke to re-elect her as the "only" way to save Canada Post. The ad appearing in the North Renfrew Times on Oct.14 features the "Save Canada Post" logo used by the Canadian Union of Postal Workers in their campaign against what they say are Conservative-backed cuts to postal service. "I guess we're doing something right if Conservatives are stealing our logo," said Mike Palecek, national president of the Canadian Union of Postal Workers, in a written statement on Thursday. "But it's just plain wrong for the people who are cutting the service to use our campaign logo to fuel their steady stream of lies about it."

October 15, 2015

POSTAL/FEDERAL NEWS

Postal Regulatory Commission:

- [Docket No. CP2012-46 Competitive Product Prices Priority Mail Contract 40 \(MC2012-38\) Negotiated Service Agreement Dissenting opinion of Commissioner Tony Hammond](#) -- Commission has already granted a 45-day extension on this contract, longer than normal. In doing so, the Commission stated that, should another extension become necessary, the Postal Service "should state with particularity the circumstances necessitating the additional extension." Unfortunately, the Postal Service's new motion ignores this directive. Instead, and not for the first time, the Postal Service faults the Commission's review procedures. Those procedures are mandated by law, and their details were formulated in a process to which the Postal Service was an active party. The Postal Service may seek the initiation of a rulemaking proceeding to modify those procedures, within the law, at any time. It appears that the Postal Service has come to rely on extension requests as a standard component of its contracting process, rather than the limited and exceptional practice the Commission intended. I do not find reason to grant a further extension on this contract.
http://www.prc.gov/docs/93/93547/Order_2753.pdf
- RM2016-2 Response of the Greeting Card Association to Petition of United Parcel Service
http://www.prc.gov/docs/93/93543/RM2016-2_GCA_Response.pdf

Federal Register:

Postal Regulatory Commission	
NOTICES	
New Postal Products ,	
62119 [2015-26129]	[TEXT] [PDF]
62118-62119 [2015-26130]	[TEXT] [PDF]
62118 [2015-26131]	[TEXT] [PDF]
62119-62120 [2015-26132]	[TEXT] [PDF]
Postal Service	
NOTICES	
Product Changes:	
Priority Mail Express Negotiated Service Agreement ,	
62120 [2015-26201]	[TEXT] [PDF]
Priority Mail Negotiated Service Agreement ,	
62120 [2015-26202]	[TEXT] [PDF]
62120 [2015-26203]	[TEXT] [PDF]
62120 [2015-26204]	[TEXT] [PDF]

USPS Office of the Inspector General: [How Can the Postal Service Simplify Pricing for Letters and Flats?](#) -- In May 2015 the U.S. Postal Service published a market dominant mail price schedule that included 730 price points for First-Class Mail and Standard Mail letters and flats. Streamlining the price schedule could enable the Postal Service to attract and retain customers who may otherwise look to alternatives to mail. Our audit will evaluate the Postal Service's pricing schedule for market dominant products. We will also do a comparative analysis of the Postal Service's pricing schedule against foreign posts. We want to determine whether the Postal Service could simplify its prices to increase mail volume. How would a more streamlined pricing structure improve the customer experience? Would a streamlined pricing model help boost volume for First-Class Mail and Standard Mail? If so, how? Which price points do you think could be combined?

NATIONAL NEWS

TechCrunch: Project management service Trello today launched a new feature that brings shipping and tracking data from UPS, USPS, FedEx, OnTrac and LaserShip right into Trello cards. That's a nifty little feature for existing Trello users, given that it now allows them to easily track their shipments in real time right from their project management tool. As the company told me, this means a small business could now use the service to easily track the progress of their shipments and as their status changes from in-transit to delivered, the card will automatically change colors from yellow to green (or to red when the shipment is delayed).

Wall Street Journal: Congressional lawmakers so far have failed to agree on a way to stave off an unprecedented premium increase for millions of Medicare recipients for 2016. That is creating uncertainty for many seniors on Medicare Part B, which covers outpatient care such as doctor's visits. About 30% of the roughly 52 million people enrolled in Part B could see a 52% rise in those premiums if Congress and the Obama administration don't find a way to freeze or reduce the increase. Open enrollment for Medicare for 2016 starts Thursday.

Wall Street Journal: The chances of a Federal Reserve interest-rate increase in 2015 are diminishing amid new signs of anemic economic activity. Lackluster readings on consumer spending, inflation and jobs have virtually eliminated the chances of a move this month. Already, two Fed governors expressed doubts this week about whether the timing will be right this year, and the recent trove of data hasn't reassured top officials about the economic outlook.

Wall Street Journal: Uber Technologies Inc. now is officially in the delivery business, and not just testing the waters. But the impact of the courier service called UberRush is far from certain. The WSJ's Douglas MacMillan writes that the smartphone-enabled courier service that was tested in New York also will be available to local merchants in Chicago and San Francisco, building out what Uber calls its "urban logistics network." Uber has discovered, however, that moving goods like flowers and food can be more complex and costly than moving passengers that, after all, can get themselves to and from vehicles.

WJLA: Dozens of college entrance test answer sheets sent through the U.S. mail system are now missing, and area high school students and their parents are scrambling. The ACT is considered a key measurement of knowledge for college bound students. So you can imagine how frustrated students and parents are after finding out this week that dozens of exam answer sheets were lost in the mail. ACT spokesperson Ed Colby tells ABC7 News the completed answer sheets were mailed via the U.S. Postal Service, not the normal method via Federal Express. Colby says when the answer sheets arrived at ACT offices in Iowa one of the packages came with an apology note from the postal service. He says one of the packages had been damaged in transit and in the process 88 answer sheets were missing. Colby says it's unlikely they'll be found.

Wall Street Journal: Reports of FedEx Corp.'s demise at the hands of UberRush have been greatly exaggerated. The expanded launch of Uber Technologies Inc.'s new service is being heralded in some quarters as a potential threat to both FedEx and United Parcel Service Inc.'s bread-and-butter services of delivering packages. "I don't think there's any real competitive threat there," said Jack Atkins, a transportation analyst with Stephens Inc. "On the whole, when you think about the network that UPS and FedEx have set up in the United States, it's impossible to replicate." While deliveries by upstarts like Uber Rush are no doubt disruptive, they're unlikely to put the delivery giants out of business – or even make a material impact anytime soon.

CBS: FedEx was started on the premise that consumers and businesses would pay for the privilege of overnight delivery. Now, Uber is aiming to one-up the now-giant delivery service. Starting today, businesses in Chicago, New York and San Francisco can pay Uber a few bucks for same-day delivery of anything from flowers to food to their customers. Like FedEx when it first started, Uber's idea isn't entirely new, but it's aiming to woo consumers through a new method of delivery and payment. The service, called Uber Rush, will use the company's network of drivers as well as bicyclists to bring packages to people in big cities within minutes. While FedEx is geared toward longer-distance delivery, Uber is aiming to conquer local delivery, such as picking up groceries for customers or items at the drugstore.

Idaho State Journal: The quagmire that is the U.S. Postal Service has grown from annoying to ludicrous here in eastern Idaho, and it's not an exaggeration to say it has now become a matter of life and death. Residents from all

over our region are reporting enormous delays in their mail, which can potentially have devastating consequences. Suppose someone counts on prescription meds to be delivered to their home on time. Because they are now waiting weeks instead of days for their medication, who's to say they won't be dead before that prescription makes it to their mailbox? Other examples of the unacceptable delay in mail aren't as extreme, but still deserve our undivided attention. A press release issued by the city of Pocatello is telling residents they need to get their requests for absentee ballots for the upcoming November elections in as soon as possible.

INTERNATIONAL NEWS

ITALY: [*The Economist*](#): Poste Italiane, which runs Italy's postal service, started out this week on its privatisation road show. It is selling more than a 40% stake in itself. It also offers the postal sector another chance, following listings by other European operators and in advance of one by Japan Post, to persuade investors that firms whose traditional business is in deep trouble have a future. Other postal services have been quicker to jump on the e-commerce juggernaut than Poste Italiane. Poste Italiane has been more sluggish. It has a market share in parcels of only 12%, whereas other national postal services typically have about 40-50%. It has not paid enough attention to this part of the business, its bosses admit, but has vowed to catch up. It has struck a deal with Amazon to deliver packets and let customers collect them at post offices. But Poste Italiane's real selling-point has nothing to do with postal services, which account for only 14% of revenues and last year notched up losses of €04m (see chart). The bulk of its income comes from insurance (66%) and other financial services (19%). These activities benefit from the firm's trusted brand and its vast network of 13,200 branches across Italy.

HONG KONG: [*South China Morning Post*](#): Hongkong Post today announced postage rate adjustments – mostly increases – that will be effective from February 1, in a move it said was aimed at better reflecting the underlying costs of postal services. Posting larger letters will become more expensive after the introduction of a three-tier classification system according to size and weight. Letters under 30 grams posted locally are currently charged a standard fee of HK\$1.70. Under the new system, the rate for small letters will be unchanged while that for large letters will be HK\$2.90 and packets will be HK\$4. For parcels posted within the city, the rate for lighter items weighing 9kg or below will see increments. The rate for a 1kg parcel will be raised from HK\$55 to HK\$60. But fees on heavier items will be reduced by up to 28.6 per cent. For international mail, a third geographical zone will be added to the existing two to reflect the higher costs of mailing to farther countries.

SINGAPORE: [*TelecomReseller*](#): Singapore Post Limited, a regional leader in e-commerce logistics and trusted communications, today announced it has signed an agreement to acquire TradeGlobal, a global omni-channel provider of end-to-end e-commerce services, from private equity firm Bregal Sagemount. The acquisition leverages SingPost's influence and market knowledge in Singapore and the Asia-Pacific region and TradeGlobal's expertise across the e-commerce spectrum to create a true end-to-end e-commerce solution with limitless geographic boundaries. By coalescing resources, technologies and expertise, industry leaders SingPost and TradeGlobal can empower a unified global supply chain and commerce strategy for brands seeking expansion across North America, Asia and Europe.

COSTA RICA: [*O Costa Rica*](#): Have you ever found yourself filling out an online form with your Costa Rica address, and not knowing what to do when you get to the "postal code"? Not to worry any more, herein lies the answer. First, heard to believe, but, yes, Costa Rica does have postal codes. The Correo de Costa Rica (post office) which for the most part delivers no mail, established a 5 digit code for all areas within the 7 provinces. The system has been around since 2007.

AUSTRALIA: [*The Herald*](#): In its annual report tabled in Parliament today, Australia Post revealed that chief executive Ahmed Fahour turned down the bonus despite meeting performance targets, although he still pocketed a wage of \$2.1 million. The report outlines the details of the postal service's \$222 million full-year loss, which was inflicted by the death of snail mail as people increasingly communicate through email and social media.

AUSTRALIA: [*The Australian*](#): Australia Post has promised no forced redundancies for its workforce as the unions representing postal workers gave their support to sweeping reforms which include a rise in the price of stamps to \$1 and a two-speed postal delivery system. The landmark agreement between Australia Post and the Communications,

Electrical and Plumbing Union, signed today and seen by The Australian, the union commits not to fight the use of casuals and "fixed term" contractors.

October 14, 2015

NATIONAL NEWS

Dead Tree Edition: "A Kick in the Listicles: 7 Reasons Digital Media Are Inferior to Print"

Reuters: Facebook Inc wants its users to shop for clothes and other products from their mobile phones without ever leaving its app. In an effort to move further into e-commerce and compete with Amazon Inc's retail offerings, Facebook announced Monday it is testing several ad features that allow users to shop directly through its app.

INTERNATIONAL NEWS

IRELAND: Irish Times: New proposals have been put forward aimed at securing a resolution to the dispute which earlier this month led to the suspension of postal services. The CWU said that Mr Flynn's recommendations "included proposals on revised shift patterns and pay levels including shift premiums as well as the referral of one outstanding item to the Labour Court for binding determination on the level of shift premium that should prevail from September 2016". "It is also agreed that any matters of interpretation of Mr. Flynn's recommendations will be referred by the parties back to Mr. Flynn for clarification."

EUROPE: Forbes: FedEx is one of the global leaders in logistics and delivery services. Despite the company's strong global reach, it has so far failed to capture much of the European market. To tackle this problem, FedEx had bid to acquire the Dutch logistics company TNT Express earlier this year. Being acquired by FedEx will hopefully bring the financial boost and stability that TNT lacks, at the moment. FedEx and TNT Express would most probably have to make several concessions to get an approval from the European Commission. The EC had previously cited concerns over the merger as creating "insufficient competitive constraints" in many European markets. The EC is also scrutinizing the merger's effect on delivery routes out of Europe, which seems more of a concern presently. In addition to this, UPS is actively rallying against the merger by constantly bombarding regulators with reports and analyses that are consistent with their arguments. It appears that this persuasion by the company is an attempt to encourage the EC to demand more remedies from FedEx, like sell-offs in certain markets, which would benefit UPS's business. The European Commission is due to give a decision on the matter on January 15, early next year.

October 13, 2015

DOMESTIC NEWS

Stamford Advocate: Pitney Bowes is paying \$9.4 million following a U.S. Department of Justice and U.S. Postal Service inquiry into whether it underpaid postage for mail processed at a facility in Reading, Pa., by claiming discounts to which it was not entitled. Pitney Bowes is based in Stamford, with its Pitney Bowes Presort Services unit operated as a subsidiary based in Omaha, Neb. In the second quarter, presort service revenue totaled \$113.9 million, up 2 percent from a year earlier. According to DOJ, Pitney Bowes claimed discounted postage rates for mail that failed to comply with the "Move Update" standard which requires that mail be updated with change-of-address information provided by the U.S. Postal Service. DOJ stated Pitney Bowes was obligated to ensure that mail it submitted on behalf of its customers at discounted postage rates complied with Move Update, by either updating addresses on the mail directly or having its customers perform the updates. USPS offered lower postage rates to Pitney Bowes for complying with Move Update and other requirements.

eCommerceBytes: It seems the USPS would like to get paid for picking up all those empty Amazon Fresh totes it delivers full of groceries on customers' doorsteps. On Friday, the Postal Service filed notice with the Postal Regulatory Commission (PRC) a notice of change to its "Customized Delivery Market Test." The USPS had first filed a request for Customized Delivery in September 2014, and the PRC granted authorization that October to run

the 2-year test, which ends in October 2016. Note that the documents don't mention any retailers by name. According to Friday's filing, the USPS intends to begin charging for tote-pickup beginning October 21st, but the fee was redacted from public filing.

INTERNATIONAL NEWS

UNITED KINGDOM: [*The Washington Post*](#): The U.K. government unloaded its final stake in Royal Mail Plc, completing the privatization of the postal service in two years as Chancellor of the Exchequer George Osborne pushes to reduce the nation's debt. A 13 percent stake was sold for 455 pence a share, 3.6 percent below Monday's close, generating proceeds of 591.1 million pounds (\$908 million), the Department for Business, Innovation and Skills said in a statement Tuesday. The government's final 10 million shares will be given to Royal Mail employees, raising the stake held by workers to 12 percent, according to the former state postal service. The completion of Royal Mail's privatization is a "milestone moment," Osborne said in a tweet. It's the "right thing to do for Royal Mail workforce, customers and the taxpayer" and "every penny will be used to pay down national debt."

October 12, 2015

DOMESTIC NEWS

DC Velocity: UPS Inc. said today that, effective next Monday, it will add 41,000 global postal codes to its "Worldwide Express" service, where packages are delivered within one to three days to 65 countries. This marks the largest one-time expansion of the service since it was launched in 2007, Atlanta-based UPS said. Most of the new postal codes will be in the Asia-Pacific region, UPS said. By adding the codes, UPS will be able to give customers access to earlier guaranteed delivery times, whereas before they only had guarantees of end-of-day deliveries, UPS said. The service offers guaranteed deliveries the next possible business day by 10:30, noon, or 2 p.m. Customs-clearance services are integrated into the deliveries. The service is available in countries that comprise 91 percent of global gross domestic product, UPS said.

Save the Post Office: A couple of weeks ago, James E. Boasberg, U.S. District Judge for the District of Columbia, issued a decision on a dispute between the Postal Service and one of its customers, Southern California Edison (SCE), the utility company. The case goes back to 2008 and involves a fine the Postal Service wanted to charge SCE for the cost of mail that was undeliverable-as-addressed (UAA). Judge Boasberg seemed somewhat disturbed by the irrationality of some USPS policies, and he wasn't above a little ridicule (as noted by Dead Tree Edition). At one point his ruling says that following certain USPS regulations would create an "absurd consequence" that would put customers into a "Kafkaesque situation." The judge also couldn't pass up the opportunity to quote the lyrics from "Return to Sender." Even more irrational than the policies, however, was the huge bill the Postal Service sent SCE for UAA mail — \$7.6 million. SCE wouldn't pay, and the company had to take the Postal Service to court for relief. Here's what happened.

The Motley Fool: Recently, Amazon launched a new delivery program, dubbed Amazon Flex, which largely mirrors Uber's UberEATS delivery service. Like Uber and other start-ups such as Postmates and Instacart, Amazon plans to hire contract drivers to ferry already purchased merchandise over the so-called "last mile." Reportedly, Amazon plans to use Flex only to fulfill orders from its on-demand Amazon Prime Now one-hour delivery service that made its debut last year. Amazon says it plans to pay Flex drivers between \$18 and \$20 per hour. To facilitate all these plans, Amazon has created an app that provides pick-up, drop-off, and routing location for drivers using the service. It also says it plans to screen all applicants, using a third-party service to perform background checks on potential Flex drivers. The service reportedly will initially launch in Seattle. Amazon has also launched pilot test programs for other delivery projects, such as Amazon Fresh and Amazon Prime Now. And although Amazon Prime Now has succeeded while Amazon Fresh still struggles, Amazon Flex holds a number of interesting implications for the e-commerce powerhouse and its investors.

The Wall Street Journal: Free shipping on returns is increasingly a reality for retailers offering online shopping, further adding to e-commerce fulfillment costs even as companies struggle with tightening margins. About 49% of retailers now offer free return shipping, according to a new study released this month by the National Retail

Federation, underscoring how companies that had long been resistant to footing the bill for returns are being forced to do so by their customers. "To remain competitive, we expect this will significantly increase over the next year, though retailers clearly will need to manage the cost aspect as well," said the report, which was prepared with e-commerce consultancy FitForCommerce.

Politicalnews: Senator Jon Tester responded to a new Government Accountability Office (GAO) report that found the U.S. Postal Service (USPS) is reporting incomplete data about its mail delivery times. "Montanans tell me that there are serious delays in mail delivery, and yet time and time again the USPS tells me they're doing great," Tester said. "We clearly need better data that reflects what's actually happening on the ground. This report confirms what many of us in rural America have been experiencing for years."

INTERNATIONAL NEWS

ITALY: The Economist: As Poste Italiane, which runs Italy's postal service, starts its privatisation road show today, it is selling more than a 40% stake in itself. The listing, which is due to take place later this month and expected to raise €7.8 billion-9.8 billion (\$9.9 billion-11.1 billion), puts Italy itself in the shop window. This is the country's biggest privatisation in 16 years and the linchpin of a sell-off programme that the government hopes will pay down at least some of Italy's €2.2 trillion pile of national debt. It also offers the postal sector another chance, following listings by other European operators and in advance of one by Japan Post, to persuade investors that firms whose traditional business is in deep trouble have a decent future.

UNITED KINGDOM: Telegraph: The Government has announced plans to sell its remaining 14pc stake in Royal Mail to take advantage of "current market conditions", placing the postal service fully into private hands for the first time in its 500-year history. ADVERTISING The sale of about 140m shares will take place overnight through a process known as an "accelerated book build" to institutional investors only, with retail investors unable to buy stock. The deal should raise more than £660m at current market prices and marks a final exit for the Government.

NETHERLANDS: Post & Parcel: PostNL and the trade unions FNV Public Interest, Union of Postal Employees, CNV Public Services and VHP2 have reached an agreement in principle on a new "social plan", which will guide how the postal company handles human resources issues as it reorganises its business structure. The new social plan will come into effect on 1 January 2016 and run until 31 December 2020. The current social plan was agreed in July 2013 and runs out on 31 December 2015.

ITALY: Financial Times: Italy will this week launch its biggest privatisation in more than a decade with the partial sale of Poste Italiane — an initial public offering on which the government of prime minister Matteo Renzi has staked its reformist reputation. The government is planning to sell up to a 40 per cent stake in Poste Italiane, Italy's national post office, and raise a maximum of €3.9bn in proceeds. The IPO is due to have a price range of €6 to €7.5 a share, giving the company an equity value of up to €9.8bn.

SINGAPORE: Bloomberg: Singapore Post Ltd., which counts Alibaba Group Holding Ltd. as its second-biggest shareholder, plans to expand freight services and warehouses in the U.S. and Europe as Asia's emerging middle class drives online purchases from overseas. SingPost expects online transactions to jump in coming years, as the typical household in Southeast Asia currently receives just two to three parcels a year on average, compared with about 30 in developed markets, Chief Executive Officer Wolfgang Baier said in an interview Oct. 8. "We need to double down" on the push into e-commerce, Baier said. "E-commerce is going to grow, and we want to make sure we're there." The move comes as other postal companies in Asia also are looking to reinvent themselves. Japan Post Group, a \$2.5 trillion behemoth that also function as a bank and insurer, is preparing an initial public offering and looking to expand internationally after buying Australian logistics company Toll Holdings Ltd. earlier this year. SingPost holds a monopoly on mail delivery in its home base, which accounts for about 80 percent of its operating profit, but is looking for new areas of growth as more people use mobile phones and access the Internet. Worldwide business-to-consumer sales could grow 34 percent to \$675 billion in 2016 from last year as the global middle class grows, SingPost said, citing data from researcher eMarketer.

AUSTRALIA: [*The Mandarin*](#): Australia Post will today commence an internal restructure to devolve decision making and de-emphasise its letter-delivering service for government after last month delivering its first annual loss in 30 years. Instead, it focus on new business as an online commerce platform. The government-owned enterprise needs to move on from just enabling government and corporations to communicate with customers through physical letters, its chief executive Ahmed Fahour wrote in a message to staff last week.

October 11, 2015

POSTAL/FEDERAL NEWS

USPS Office of the Inspector General:

- [**Public Policy Specialist**](#). The USPS OIG is seeking a highly qualified applicant to fill our Public Policy Specialist position in the Risk Analysis Research Center (RARC) located in Arlington, VA. The RARC group conducts research and analysis dealing with economic, business, and policy issues pertaining to the Postal Service. The successful candidate will conduct research on postal business and policy innovations with a particular focus on how successful innovations in the global logistics, delivery, and postal sector can be adapted for the U.S. Postal Service. The successful candidate will help gather and analyze data, research policy issues, examine business strategies, conduct quantitative studies, prepare executive presentations, and write analytical reports pertaining to the postal economics, business, and operations. To carry out these responsibilities, the candidate will also be responsible for developing and maintaining contacts with stakeholders, experts, and others.
- [**College Student Intern Program \(CSIP\)**](#). The USPS OIG is seeking students enrolled in college/university programs to fill our College Student Intern Program (CSIP) - (Unpaid) position on the Strategic Planning & Performance (SPP) Team located in Arlington, VA. SPP drives organizational strategy, analytics, and performance. This includes, but is not limited to, gathering and analyzing data and reporting results and conclusions.

DOMESTIC NEWS

[*PRWeb*](#): LaserShip, a regional parcel carrier that services the eastern U.S., moved out of their East Rutherford, New Jersey distribution center and into their largest distribution center yet in Belleville, New Jersey this past weekend. They began operating out of Belleville this past Saturday. The move comes as a result of the e-commerce growth in the New York area.

[*Memphis Commercial Appeal*](#): FedEx founder Frederick W. Smith believes states are infringing on interstate commerce and slow growth is driving a wave of mergers and acquisitions like FedEx's proposed purchase of Europe's TNT Express. His harshest comments were directed at state efforts to regulate enterprises built on independent contractor labor, including digital app-based services like Uber. FedEx Ground has been fighting in state and federal courts for years against lawsuits that challenged the company's now-discarded model of using independent contractors as drivers.

October 10, 2015

POSTAL/FEDERAL NEWS

Federal Register: Postal Regulatory Commission *NOTICES* New Postal Products , 61511–61512 [2015–25915] [\[TEXT\]](#)

DMM Advisory:

- **PostalOne!®, SASP, and BCG Maintenance and Upgrades PostalOne!® Scheduled Maintenance** – The PostalOne! system will not be available on Sunday, October 18, 2015, from 4 AM to 10 AM CT due to scheduled maintenance. (1) New Mail.dat® client download 41.3.1.0_PROD will be made available during this release. This download will be optional and users can continue to submit files using Mail.dat client Version 41.3.0.2_PROD. (2) Mail.dat client download 41.3.0.2_PROD will continue to be supported. (3) Mail.dat client download 41.2.0.0_PROD will continue to be supported through November 1. (4) Mail.dat client download 41.1.0.0_PROD will continue to be supported through November 1. Note: Depending on feedback after 41.3.1.0_PROD Mail.dat client is downloaded, versions 41.1.0.0_PROD and 41.2.0.0 will be retired on November 1.
- **Seamless Acceptance and Service Performance (SASP) Release** will deploy on Sunday, October 18, 2015, between 4 AM and 11 AM CT. This release includes fixes to known SASP issues to include updates to select Full-Service and Seamless Verifications.
- **The Business Customer Gateway (BCG)/eAdmin Oracle 12c Production upgrade** will occur on Sunday, October 18, 2015, from 3 AM to 7 AM CT. There will be an outage during this upgrade and the application will be unavailable during this time.

NATIONAL NEWS

American Postal Workers Union: The APWU and USPS have signed an agreement that prohibits management from initiating the posting of annual bids in the Motor Vehicle Service Craft pursuant to any audit review. The dispute that led to the Sept. 30 Memorandum of Understanding Re: Zero Base Initiative arose last year, when reports from the field indicated that local managers were forcing the posting of annual bids as a result of audits performed by Zero Base Initiative teams, in violation of Article 39.2 of the Collective Bargaining Agreement.

American Postal Workers Union: The APWU and the National Association of Letter Carriers hosted author Mehrsa Baradaran at the AFL-CIO on Oct. 7, where she spoke about her book, *How the Other Half Banks*. The event was held on behalf of the Campaign for Postal Banking. Baradaran presented a spirited indictment of America's banking system and made a compelling case for what she calls the clear, obvious solution: expanding USPS financial services to once again include postal banking – as it did until 1967.

Chicago Tribune: Aspiring delivery drivers take note: Amazon wants you. The e-commerce company has launched Amazon Flex, which says it will pay \$18 to \$25 an hour in exchange for "delivering packages for Amazon with your car and smartphone." "Be your own boss: deliver when you want, as much as you want," says its website, flex.amazon.com. The moneymaking opportunity is "coming soon" to Chicago, Manhattan, Baltimore, Miami, Dallas, Austin, Indianapolis, Atlanta and Portland, the website says. Amazon Flex is available now in the company's headquarters city of Seattle. "We have not yet announced a timeline to launch in new cities, but stay tuned as we will expand Amazon Flex in the future," Amazon spokeswoman Kelly Cheeseman said Friday. Amazon Flex is the latest player in the "gig economy," which also includes ride-booker Uber and on-demand delivery service Postmates.

CCTV America: International courier/ shipping giants FedEx and UPS have announced that they're raising the fuel surcharge on their services, a fee that's passed down to the consumer. But the current record low drop in fuel prices around the globe has people wondering why. Consumers have expressed anger, and e-commerce companies, who rely heavily on shipping for of their businesses aren't happy either.

The Wall Street Journal: Free shipping on returns are increasingly a reality for retailers offering online shopping, further adding to e-commerce fulfillment costs even as companies struggle with tightening margins. About 49% of retailers now offer free return shipping, according to a new study released this month by the National Retail Federation, underscoring how companies that had long been resistant to footing the bill for returns are being forced to do so by their customers. "To remain competitive, we expect this will significantly increase over the next year, though retailers clearly will need to manage the cost aspect as well," said the report, which was prepared with e-commerce consultancy FitForCommerce. Many surveys have shown that consumers will often judge a company on its return policy. However, such policies are adding to the cost of e-commerce, which already weighs on margins before returns are even made.

Turn to Ten: Between buying a home, going to college or heading south for the winter, a lot of people are going online to change their addresses. But be careful. Deceptive websites and outright scammers are waiting to pounce.

WABC-TV: It's a scam that uses a tried and true method of payment, good old fashioned U.S. Postal Money Orders. But there's a new deception that could steal hundreds, even thousands from you, unless you know what to look for.

INTERNATIONAL NEWS

UNIVERSAL POSTAL UNION: Sify: On World Post Day, the head of the Universal Postal Union (UPU) is highlighting that the future of postal services strongly depends on their ability to innovate and to embrace new technologies. From liberalization to privatization and the emergence of competition, the Post has faced many challenges to its survival, but none so daunting as the development of modern information technology, said Bishar A. Hussein, Director General of the UPU in a message. Today, the traditional postal business line letter post has been greatly challenged by faster and more efficient ways of communication thanks to advancements in information and communications technologies, he added. However, the Director General underlined that successful postal services have taken these challenges as opportunities to innovate and establish new market segments. They understand that a faster and more efficient communication medium is actually what the Post needs in order to build a new business value chain. Hussein said the message is clear: the survival of postal services hinges on its ability to quickly change and innovate.

October 9, 2015

DOMESTIC NEWS

EcommerceBytes: The USPS has confirmed it has renegotiated ePacket rates with China Post. Spokesperson Darlene Casey said the bilateral agreement with China Post became effective on October 1st and provides for additional compensation for inbound ePackets originating in China. ePacket allows Chinese companies to send lightweight purchases (a maximum weight of 4.4 lbs or 2 kg) to US customers with tracking. US sellers say in many cases, it costs the Chinese firm less money using ePacket than it would cost them to reach the same US buyer. Amazon pressed Congress to take a look at the issue in June. While Casey confirmed new rates had been negotiated, she declined to disclose specifics because "it is commercially sensitive information of the USPS and China Post." While it appears this could be good news if ePacket rates are higher, USPS has said it doesn't have much leverage in negotiations. We asked if the rate change was only with China or with all countries that participate in ePackets. "Other postal operators also have agreed to pay to have scanning with delivery epackets, but not all countries elect to participate in this system of additional compensation for inbound epackets originating in their countries as they may not wish to offer delivery scanning to their customers," Casey said. "The countries that have ePacket agreements with USPS are China, Hong Kong and Korea Post. We are unable to disclose rate information as it is commercially sensitive information of the USPS and foreign postal operators." Casey also confirmed that effective October 1, 2015, scanning and tracking services, also known as "visibility," will no longer be offered for import International Registered Mail, just as those services are not offered for international First-Class Mail.

Infosecurity-Magazine: A quarter of US Postal Service (USPS) employees clicked on a 'phishing email' designed to test their security awareness in an audit this year, highlighting the ongoing challenge of training staff to spot potential cyber-attacks. The Office of Inspector General conducted the audit in May this year but the results have only just been released this week. It claimed that the Postal Service runs one of the largest corporate email systems in the US, with over 3.5 million emails sent to more than 200,000 accounts each day. However, disappointingly, 789 of the 3,125 employees who took part in the exercise clicked on the link in the phishing email. What's more, 93% of those that received the email did not report it to the organization's Computer Incident Response Team, as required by policy.

DCVelocity: The chairman, president, and CEO of FedEx Corp. lashed out yesterday at legislative and judicial attempts to penalize business' use of independent contractors, saying they interfere with interstate commerce and threaten to undermine the responsiveness and efficiency of the supply chain. Keynoting an industry conference in his company's hometown of Memphis, Tenn., Frederick W. Smith said the U.S. and world economies have

flourished over the past 40 years because transport deregulation allowed companies to be flexible in managing changes in a cyclical industry. Attempts by legislative and judicial bodies to restrict those freedoms are a "profound" change that bodes well for no one, Smith said.

Seeking Alpha: It's going to be a bit more expensive for retailers to ship packages this holiday season. That's because both United Parcel Service and FedEx have announced fuel surcharges to their shipping rates, increasing the cost merchants must pay to ship goods to their customers. The most recent increase was announced this week by FedEx, marking the company's second "fuel surcharge" increase this year. With the new surcharge that takes effect November 2nd, retailers will pay about \$170 more than the standard rate for shipping 100 shoeboxes overnight from New York to Atlanta (according to the Wall Street Journal). UPS has a similar charge that adds about \$200 to the same shipping example above. Ironically, at the same time that these shippers have been increasing their fuel surcharges, the cost of fuel has actually been declining. Below is a 1-year chart of the retail price of diesel fuel, which has fallen roughly 26% over the last 12 months.

INTERNATIONAL NEWS

INDIA: **Hindustan Times:** If all goes according to plan, India Post will soon offer life insurance products as part of a broader strategy to give its millions of customers a suite of financial and savings instruments ranging from small savings, fixed deposits, insurance and mobile wallets. A specific policy for the girl child, with a maximum assured sum of Rs 10 lakh, is also on the cards. The move is part of the postal department's strategy to modernise its services, leveraging its network of 160,000 post offices, 45,000 postmen and 250,000 extra-departmental employees, who would be trained to serve as personnel financial advisers in remote villages.

SINGAPORE: **Nikkei:** Singapore Post announced on Friday it will acquire a 71.1% stake in U.S.-based e-commerce logistics provider Jagged Peak for \$15.8 million, expanding its footprint into America. The acquisition will be made through a newly-formed subsidiary, SP Jagged Peak. This will be the latest cross-border investment by SingPost, which is seeking to optimize its international logistics services for online retailers and brands. Jagged Peak provides e-commerce operation services covering the whole retail chain -- from its online shopping platforms to fulfillment, warehousing and delivery. The company's operating system is utilized by more than 20 warehousing facilities across the U.S., Canada and Europe. According to the company, its extensive network of fulfillment centers allows for next-day delivery to more than 96.8% of U.S. households using low-cost ground services. The company's full-year revenue was \$61.7 million in 2014.


IRELAND: **Irish Times:** Fianna Fáil Senator Mary White has claimed the new Eircode system is placing householders in the wrong geographical area. She told the Seanad that Dublin residents had complained to her they were being placed in the wrong area. "There are people all over Ireland who have been located in geographically incorrect towns, counties and even provinces," said Ms White. "The system has even located Shannon Airport in Limerick, whereas we all know it is in Clare, while residents in Leixlip have had Naas added to their address." She claimed homes in west Wicklow had received a Kildare postcode and, according to Eircode, people in Dublin 16 actually live in Dublin 24.

AUSTRALIA: **ITNews:** Australia Post has sharpened its focus on e-commerce by creating a dedicated business unit headed by former CIO Andrew Walduck, as part of the organisation's drive to become a "sustainable e-commerce company". In July AusPost CEO Ahmed Fahour moved Walduck out of the IT division and into its digital solutions unit to grow the postal body's services business. Fahour has placed his bets on digital services being the saviour for an organisation suffering from both a steep decline in letter volumes and falling rates of foot traffic in its retail outlets. Yesterday he told staff the postal body would place an even greater emphasis on e-commerce by splitting its operations out from within the larger postal services division and into its own business unit.

CZECH REPUBLIC: **Radio Praha:** The state-owned Czech Postal Service faces court action over alleged discrimination in salaries. Employees in Moravia say they will sue the company after finding out that they make on average 3,000 crowns a month less than their Prague counterparts. Photo: Filip Jandourek Photo: Filip Jandourek Postal service workers in Moravia are up in arms after discovering that the company has been what they call "short charging" them for years.

HONG KONG: [Ejiworld](#): Hongkong Post has spoken. The royal insignia on postboxes will be nowhere in sight in the near future. Hong Kong Post issued a statement Friday, which happens to be Love Post Day, ending speculation over the future of the colonial emblem. The government considers the continued use of the royal insignia on colonial-era postboxes inappropriate, the statement said. The postal service is looking into ways to update the markings on these boxes.

October 8, 2015

 *At its October 2015 meeting, the Association for Postal Commerce presented to Wanda Senne (pictured on the left) its Lee Epstein Award in recognition for her long and extraordinary service (in many capacities) to the advertising mail industry. Wanda has been a member of the PostCom Board of Directors. She's served on its Executive Committee, and chaired its Education Committee. She's also been responsible for producing many of PostCom's educational webinars. She's recently been elected to serve as the Industry Vice-Chair of the Postmaster General's Mailers Technical Advisory Committee (MTAC), after having served as the industry co-chair of its Standard Mail workgroup.*



POSTAL/FEDERAL NEWS

USPS Industry Alert: USPS Shipping Products and Services Webinar Series October 13, 2015, 11a.m. EDT – Priority Mail® Join us as the Postal Service continues to host its series of informational webinars on a variety of products and services. The webinars focus on service enhancements, features, benefits, how to get started, and onboarding information to acquire the knowledge and skills to effectively use Priority Mail® service. Tuesday, October 13, 2015 at 11a.m. EDT – Priority Mail® Priority Mail® – Tune in for an in-depth session on the benefits of Priority Mail®. USPS experts will discuss the various features, prices and fees you can expect to find, as well as take you inside the most recent product enhancements. They will also explain how to order expedited shipping supplies. Speakers: Tiffany Jesse, A/Manager Shipping Development Garry Rodriguez, Classification Specialist Attendee Information US/Canada Attendee Dial-in: (866) 381-9870 Conference ID: 33228396 Attendee Direct URL: <https://usps.webex.com/usps/onstage/g.php?MTID=e0c114279c440eeb7709a70d1914a6fff>

Postal Regulatory Commission:

- **Docket No. RM2016-1 Petition Of The United States Postal Service Requesting Initiation Of A Proceeding To Consider A Proposed Change In Analytical Principles (Proposal Eleven)**

Proposal Eleven seeks authorization to change the statistical estimator for revenue, pieces and weight for the digital letter mail sampling in the Origin-Destination Information System - Revenue, Pieces and Weight (ODIS-RPW) system first discussed in Docket RM2015-11. Beginning Q2 FY2016, the Postal Service proposes to **replace ODIS-RPW system manual data collection at some letter Mail Exit Points (MEPs) with an automated selection of digital images selected from the incoming secondary Delivery Barcode Sequencing (DBCS) second pass operation. Mail processed on the second pass is termed Delivery Point Sequenced, or DPS mail. The digital images captured would provide the same information as manual data collection** except for a few items as discussed in Docket No. RM2015-11. In this proposal, ODIS-RPW would replace the direct expansion estimator with a ratio estimator that utilizes national End-of-Run (EOR)

- **RM2016-2 Petition of United Parcel Service, Inc. for the Initiation of Proceedings to Make Changes to Postal Service Costing Methodologies**

<http://www.prc.gov/docs/93/93507/0.UPS%20RM2016-2%20Petition.pdf>

<http://www.prc.gov/docs/93/93507/1.UPS%20Proposal%20One.pdf>

<http://www.prc.gov/docs/93/93507/2.UPS%20Proposal%20Two.pdf>

<http://www.prc.gov/docs/93/93507/3.UPS%20Proposal%20Three.pdf>
http://www.prc.gov/docs/93/93507/4.RM2016-2_Neels_Report.pdf

USPS Office of the Inspector General:

- [Use of Leased Trailers - Western Area](#)

Background. The U.S. Postal Service leases more than 8,000 trailers nationwide for its operations. It procures trailers to meet local transportation needs and assigns them to specific facilities. Each Postal Service area is responsible for its own trailer use and requirements. As of October 2014, 1,600 trailers were leased in the Western Area. Our objective was to assess the use of leased trailers in the Western Area.

What the OIG Found. Opportunities exist for the Western Area to improve management of leased trailers, return unneeded trailers, and reduce lease costs. The Western Area returned about 140 unneeded leased trailers to suppliers in fiscal year (FY) 2014. As of the end of FY 2014, the Postal Service reported a total of 1,674 leased trailers in the Western Area. However, we found an additional 84 trailers in FY 2013, and 78 trailers in FY 2014 that were underused. These trailers were considered underused because they did not comply with the Postal Service's guidance for showing that a trailer is needed. That guidance prescribes at least one trailer move every 7 days, or about 52 moves per year. Of the 84 underused trailers in FY 2013, data showed that 15 percent never moved and 85 percent moved less than once per week, on average. Of the 78 underused trailers in FY 2014, data showed 27 percent never moved and 73 percent moved less than once per week, on average. These conditions occurred because the Postal Service did not have controls or a standard operating procedure requiring local officials to assess the need for leased trailers based on use and return unneeded trailers to suppliers. Further, the Postal Service did not have an accurate and effective inventory system for recording, monitoring, and tracking leased trailers. As a result, the Western Area incurred unnecessary trailer lease costs of about \$275,000 in FY 2013, and about \$254,000 in FY 2014. We also concluded it could avoid about \$264,000 annually over 2 years if it were to return the remaining underused trailers. In FY 2015, the Postal Service issued a new trailer lease policy and began developing requirements for a trailer management module in its Solutions for Enterprise Asset Management application to help manage leased trailers. The scheduled completion is extended to May 2016, due to data issues.

What the OIG Recommended. We recommended management enforce new leased trailer policies, thoroughly assess trailer needs, and return any unneeded leased trailers to suppliers.

USPS Industry Alert: PostalOne!®, SASP and BCG Maintenance and Upgrades PostalOne!® Scheduled Maintenance – The PostalOne! system will not be available on Sunday, October 18, 2015 from 4:00AM to 10:00AM CT due to scheduled maintenance. (1) New Mail.dat® client download 41.3.1.0_PROD will be made available during this release. This download will be optional and users can continue to submit files using Mail.dat client Version 41.3.0.2_PROD. (2) Mail.dat® client download 41.3.0.2_PROD will continue to be supported. (3) Mail.dat® client download 41.2.0.0_PROD will continue to be supported through Nov. 1st. (4) Mail.dat® client download 41.1.0.0_PROD will continue to be supported through Nov. 1st. please Note: Pending feedback for 41.3.1.0_PROD Mail.dat® client versions 41.1.0.0_PROD and 41.2.0.0 will be expired Nov. 1st. Seamless Acceptance and Service Performance (SASP) Release will deploy on Sunday, October 18, 2015 between 4:00AM to 11:00AM CT. This release includes fixes to known SASP issues to include updates to select Full-Service and Seamless Verifications. The Business Customer Gateway/eAdmin Oracle 12c Production upgrade will occur on Sunday, October 18, 2015 from **3:00AM to 7:00AM CT. There will be an outage during this upgrade and the application will be unavailable during this time.**

NATIONAL NEWS

Reporter.net: Is the U.S. Postal Service trying to destroy America's newspapers? Based upon the evidence, you have to wonder. The postal service — faced with we would argue is an overstated assessment of its pension obligations — has been cutting like crazy. Services have been consolidated. Regional centers have been eliminated. And the delivery has been slowed. It's a heck of a strategy when the USPS is trying to compete with email and the Internet,

but it's the strategy currently being employed. While all postal customers have seen the impact, none have suffered as much as second-class postal customers: America's newspapers.

eCommerceBytes: The US Postal Service announced it will no longer offer scanning and tracking services for some international Registered Mail destined for the United States. The move comes amid growing concern over an imbalance in shipping fees that puts US merchants at a competitive disadvantage against foreign retailers. The Postal Service said the change is being made to improve the profitability of import Registered Mail items (those rates are governed by the Universal Postal Union, not the USPS) and to encourage international posts to shift their items from the import Registered Mail stream to the import ePacket product (whose rates are negotiated between international postal services). ePacket itself has been criticized for not doing enough to correct the imbalance. In June, Amazon complained to Congress that U.S. sellers suffer under what he called a "frustrating" and "completely unnecessary and illogical" system whereby Chinese firms can ship low-weight orders to American buyers at significantly cheaper rates than are available to domestic sellers.

Dead Tree Edition: Judge James E. Boasberg rejected the \$7.6 million fine the U.S. Postal Service placed on Southern California Edison, in part because forcing the utility to follow USPS's Move-Update regulations to the letter would create an "absurd consequence" that would put customers into a "Kafkaesque situation."

INTERNATIONAL NEWS

TUNISIA: **Coin Journal:** La Poste Tunisienne, the national postal services of Tunisia, has announced the launch of a pilot for a new payment infrastructure powered by the Monetas platform. Monetas, a Swiss software company focusing on blockchain-based infrastructures, will provide la Poste Tunisienne with an enhanced version of the institution's payment app. The new digital payment infrastructure will enable e-Dinar users to make instant, secure peer-to-peer mobile transfers, pay online merchants, brick-and-mortar businesses, pay their utility bills, send remittances, as well as manage official government identification documents, Monetas said. E-Dinar is a digital wallet service from la Poste Tunisienne launched in 2000 as part of the government's e-Tijara initiative.

CAMEROON: **AllAfrica:** Users of Cameroon's postal services are quick to testify. Some of them met at three different Campost regional offices in downtown Yaounde on October 7, 2015, were unanimous that gone are the days when fear gripped clients due to the non-delivery of mail with some of them pilfered. Government has invested over FCFA 32 billion in computerising the country's postal services, sources at the Hotel de Ville, Yaounde Branch of Campost, told Cameroon Tribune. They explained that the huge investment have ushered in faster service delivery with customers able to send and retrieve mail in the shortest possible time. "Delays as well as the phenomenon of misplaced documents have reduced to nought," Nsangou Chouaibou, Head of Section for the Distribution of Mail at the EMS Campost Branch office said. He revealed that mail that was delivered in a week now reach recipients in a day.

THAILAND: **Thai Visa News:** Thailand Post today displayed its new cardboard box that it claims is strong, durable and capable to excellently withstand impact and pressure. The new packing box can withstand weight of a healthy person and can excellently resist impact and pressure.

MALAYSIA: **Malaysian Digest:** The current postal service is increasingly in demand as a strategic network to encourage the rapid growth of domestic and cross-border e-commerce, says Communications and Multimedia Minister Datuk Seri Dr Salleh Said Keruak. He was confident the tradition of excellent national postal service would continue into the next decade, in line with the rapid growth of digital service.

SINGAPORE: **Ang Malay Net:** Singapore Post has successfully delivered a mail using an Unmanned Aerial Vehicle (UAV) for point-to-point recipient-authenticated mail delivery, the company said today in a statement. It added that this is the first time in the world a postal service has successfully used an UAV. "A last mile mail and packet drone delivery trial was successfully completed between Lorong Halus and Pulau Ubin," SingPost said.

October 7, 2015



The Board of Directors of the Association for Postal Commerce announce that Jessica Lowrance, CAE (pictured on the right) has been unanimously elected as President-Elect of the association. She will assume full duties of President and CEO upon the retirement of the current president, Gene Del Polito, at the end of 2016.



POSTAL/FEDERAL NEWS

USPS Office of the Inspector General:

- [An Update on 3D Printing and the Postal Service](#)

3D printing is leading to dramatic changes in the fields of manufacturing and logistics, with major implications for postal operators and other transportation and delivery companies. In a July 2014 white paper, *If It Prints, It Ships: 3D Printing and the Postal Service*, the OIG described how the rise of 3D printing could significantly benefit the Postal Service through an increase in commercial package shipments. In our new follow-up white paper, *An Update on 3D Printing and the Postal Service*, the OIG describes developments in 3D printing and the logistics marketplace and examines what these changes could mean for the Postal Service. The largest impacts of the growth of 3D printing are likely to fall on the logistics industry, potentially disrupting a significant portion of global air cargo or ocean container shipments and the freight trucking business, among other things. Localized production via 3D printing, including some potential reshoring of manufacturing back to the United States, will help shorten supply chains and reduce delivery times. This promises to enhance the importance of efficient last-mile parcel delivery, a core competency of the Postal Service. Foreign postal operators and other organizations involved in logistics and delivery have already begun working with 3D printing companies to offer unique services. By monitoring 3D printing developments and their potential implications for its nationwide delivery network, the Postal Service could better prepare itself for the fundamental changes to come in the global logistics landscape.

- [Information Security Awareness Training and Phishing](#)

Background. Information security awareness training is a formal process for educating employees about corporate information technology policies and procedures. Implementing information technology training helps reduce security threat risks. The U.S. Postal Service's security awareness training program consists of specified topics such as password protection, transmission of sensitive information, and phishing. Phishing is a security threat used to deceive an email recipient by posing as a legitimate entity. About 156 million phishing emails are sent globally every day. In 2014, phishing email attacks caused about 18 percent of cyber intrusions. With one of the largest corporate email systems, the Postal Service handles more than 3.5 million emails a day delivered to more than 200,000 email accounts. In November 2014, the Postal Service announced a significant cyber intrusion that appeared to be caused by a phishing email attack. Providing security awareness training that emphasizes security threats, combined with testing employees' understanding, are key to avoiding or minimizing the impact of phishing emails. Our objective was to evaluate the effectiveness of the Postal Service's information security awareness training related to phishing and to determine how employees respond to phishing emails.

What the OIG Found. When we began our review, the Postal Service's information security awareness training related to phishing was not effective because it did not completely explain how to identify and report phishing emails. However, during our audit, management added instructions for identifying and reporting phishing emails. Therefore, we are not making a recommendation in this area. In addition, current policy does not require all employees with network access to complete the annual information security awareness training. Although this training is available to all employees with network access, only Chief Information Office employees and new hires are required by policy to complete the annual training. We performed a limited phishing assessment by sending emails containing false links to 3,125 Postal Service employees. Of the 3,125 employees who received the phishing email, 2,916 (93 percent) did not report the email as required by policy. The results of our test identified 789 of the 3,125 employees (25 percent)

clicked on the link in the phishing email. Of these 789 employees, we determined 710 (90 percent) did not report that they clicked on a phishing email to the Postal Service's. Of 3,125 employees in our sample, 2,986 (96 percent) did not complete the annual information security awareness training, based on training records for FY 2014. In addition, 750 of 789 employees in our sample who clicked on the link in the phishing email (95 percent) did not complete the training. When management does not require all employees with network access to take annual information security awareness training, users are less likely to appropriately respond to threats. A recent study revealed that user awareness training effectively changes behavior and reduces security-related risks by up to 70 percent.

What the OIG Recommended. We recommended the Postal Service modify policy to require all employees with network access to take annual information security awareness training.

- [Management Advisory - U.S. Postal Inspection Service Revenue Investigations](#)

Background. The primary objective of the U.S. Postal Inspection Service Revenue Investigations Program is investigating revenue loss due to postage shortfalls, improper or fraudulent mailings, and related issues. Customer complaints, anonymous tips, and U.S. Postal Service employees or other investigative agencies provide revenue investigation leads. Postal inspectors determine whether insufficient postage was willful or unintentional; and provide investigative findings of noncriminal cases to the Postal Service for appropriate action. Prior to the beginning of fiscal year (FY) 2015, revenue investigation cases could be initiated at the Postal Inspection Service division level. The majority of the investigations (76 percent) ended up in administrative versus criminal or civil outcomes. Additionally, mailers sometimes felt inappropriately targeted by these investigations. In FY 2015, the Inspection Service changed its processes for initiating revenue investigations. This is the second of two reports related to the Postal Service's Undeliverable as Addressed mail strategies. The first report, Strategies for Reducing Undeliverable as Addressed Mail (MS-MA-15-006) was issued on May 1, 2015. The objective of this second review was to evaluate Postal Inspection Service enforcement efforts over revenue investigations, specifically how revenue investigations are initiated, conducted, closed, and appealed.

What The OIG Found. The Postal Inspection Service conducted and closed revenue investigations in accordance with applicable policies and procedures and was not involved in the Postal Service appeals process for revenue deficiencies. To enhance the quality of revenue investigations, in FY 2015, the Postal Inspection Service implemented a centralized headquarters-coordinated committee comprised of nine contracted revenue fraud analysts with prior Postal Service and Postal Inspection Service experience to pre-screen all revenue investigative leads. They evaluate the leads for validity, potential revenue loss and to ensure the appropriate use of postal inspectors for potential fraudulent cases and postal service personnel for non-investigative matters. The Postal Inspection Service makes the final decision to conduct an investigation. The creation of the committee should improve the quality of revenue investigations and appropriately assign referrals. Thereby, reducing the number of Postal Inspection Service investigations. However, the Postal Inspection Service has an opportunity to further enhance the evaluation of its program by documenting the Postal Service resolution for its revenue investigative cases. We reviewed a statistical sample of 147 closed revenue investigation case files and 62 files (42 percent) did not document the resolution reached by the Postal Service. This occurred because the Postal Service did not always provide the Postal Inspection Service with the final deficiency collected. This pertinent information could assist the Postal Inspection Service with its continuous evaluation of the Revenue Investigations Program.

What The OIG Recommended. We recommended management establish procedures to document the Postal Service's resolution for its investigative cases for continuous evaluation of the Revenue Investigations Program.

- [How Can the Postal Service Control the Costs to Shuttle Vehicles?](#) -- The Postal Service spent nearly \$34 million in fiscal year 2014 to move its vehicles from one location to another for maintenance, repair, or

transfer. Local Vehicle Maintenance Facility (VMF) management determines when contractors or postal employees must shuttle vehicles. In 2005, the Postal Service awarded a vehicle maintenance repair agreement to the United States Auto Club (USAC) for vehicle shuttling service. Under the contract the USAC shuttles vehicles weighing less than 1 ton, such as jeeps, long-life vehicles, and minivans. It uses tow trucks to shuttle multiple vehicles from their assigned location to the servicing VMF for maintenance or repair. The shuttle service includes both short and long distance vehicle movement based on vehicle maintenance schedules and availability. Although the USAC provides the necessary shuttle service, VMF managers do not have to use USAC for this purpose and can, instead, use local, independent contractors to transport vehicles if it is more cost effective.

Attention Postal One! and Business Gateway Users:

- **PostalOne! Scheduled Maintenance** –The PostalOne! system will not be available on Sunday, October 18, 2015 from 4:00 AM to 10:00 AM CT due to scheduled maintenance.
 - New Mail.dat® client download 41.3.1.0_PROD will be made available during this release. This download will be optional and users can continue to submit files using Mail.dat client Version 41.3.0.2_PROD.
 - Mail.dat® client download 41.3.0.2_PROD will continue to be supported.
 - Mail.dat® client download 41.2.0.0_PROD will continue to be supported through Nov. 1st.
 - Mail.dat® client download 41.1.0.0_PROD will continue to be supported through Nov. 1st. Note: Pending feedback for 41.3.1.0_PROD Mail.dat® client versions 41.1.0.0_PROD and 41.2.0.0 will be expired Nov. 1st
- **Seamless Acceptance and Service Performance (SASP) Release** will deploy on Sunday, October 18, 2015 between 4:00 AM to 11:00 AM CT. This release includes fixes to known SASP issues to include updates to select Full-Service and Seamless Verifications. The Business Customer Gateway/eAdmin Oracle 12c Production upgrade will occur on Sunday, October 18, 2015 from 3:00 a.m. to 7:00 a.m. CT. There will be an outage during this upgrade and the application will be unavailable during this time.

DOMESTIC NEWS

Save the Post Office: Postal Pulse is the new employee engagement survey being used by the Postal Service, after decommissioning the Voice of the Employee (VOE) survey that had been used for many years. The Pulse was administered to postal workers in March and April of this year, and now the results are being shared with USPS employees.

The Washington Post: The two largest postal unions, fearful that thousands of jobs would be lost through privatization, have said for a long time that the Postal Service's billion-dollar deficits are artificial. The agency's eight consecutive annual losses, totaling more than \$52 billion, are largely due to its obligation (imposed in 2006 by Congress as part of a sweeping postal bill) to pay \$5.5 billion a year and counting toward the health benefits of future retirees. The agency's finances have stabilized in the past two years, with revenue more than covering expenses by about \$1.2 billion during the first three quarters of this year. That's without the pre-funding payment, which postal officials have now defaulted on multiple times, or long-term obligations to workmen's compensation costs. The higher revenue is largely driven by cost cutting, from shrinking the workforce to closing mail-sorting plants. Numerous bills in Congress have called for eliminating the retiree payment, a budget maneuver at the time that most postal observers agree more than covers the agency's obligations to future retirees. However, Congress has so far shown little appetite for fixing postal finances.

Salon: The Washington Post recently published an article asking if the post office should "be sold to save it." It begins with an explanation of what the author sees as an unsustainable postal service. It goes on to advocate for privatizing the agency by selling off parts of it to bidders who could then operate it independently. The problem with the Post's argument starts in its thesis: that the post office is in some sort of deep fiscal hole of its own making – a result of being left behind in the Internet Age and a shrinking consumer base. The truth is that almost all of the postal service's losses can be traced back to a single change in the law made by the Republican Congress in 2006. Remarkably, even one of the main sponsors of the 2006 legislation now agrees the pre-funding requirement was a

bad idea. In 2014, a writer for the Roanoke Times reached out to former congressman Tom Davis, a Virginia Republican who today works for the accounting and consulting giant Deloitte. Though Davis agreed that the requirement was unwise, he said it was "the cost of getting the bill through," noting that the Bush administration wanted to use the revenue to help balance the budget (note that the U.S. Postal Service doesn't actually use taxpayer dollars but does have implicit subsidies such as borrowing at a lower rate).

Benzinga: The Wall Street Journal reported that FedEx Corporation FDX was planning to increase its fuel surcharge ahead of the holiday shopping season in an effort to boost its bottom line. The company's shipping costs will rise from about \$67 to \$170 for the transport of 100 shoe boxes, a significant blow to e-commerce firms that rely on fast delivery to please customers. United Parcel Service, Inc. UPS similarly raised prices in February, increasing its own cost to ship 100 shoe boxes to around \$200. The increase has sparked outrage among retailers who rely on shipping companies to move their merchandise. Fuel prices have been on the decline this year, so many retailers say the surcharge is unnecessary. However, FedEx claims that costs have risen despite the fall in oil prices as packages have become heavier and more abundant. While it's likely too late to make any changes to their supply chains before the holiday season begins, e-commerce firms have already begun to find new ways to cut out shippers like FedEx and UPS in order to lower their costs.

INTERNATIONAL NEWS

CANADA: ***Kelowna Now:*** The Canadian Union of Postal Workers alleges that Canada Post is engaging in election advertising while failing to register as a third party with Elections Canada. "Canada Post's material clearly qualifies as election advertising," said Mike Palecek, National President of the Canadian Union of Postal Workers, which filed the official complaint against Canada Post Corporation for distributing flyers about the mailboxes with which it plans to replace home delivery.

SPAIN: ***PRNewswire:*** Correos, the postal industry leader in Spain, has partnered with Prepaid Financial Services (PFS), a leading European issuer and programme manager of physical and virtual prepaid card products, to launch the contactless Correos Prepago MasterCard(R) card in Spain. As part of the partnership, PFS provides the complete prepaid solution including BIN sponsorship, programme management, end-to-end technology solution and customer service support. As the industry leader in the transportation of documents and parcels, Correos distributes nearly 3,600 million deliveries each year, reaching 28 million homes, companies and institutions. Furthermore, Correos has over 2,400 post office branches across Spain, providing customers with complementary services and financial products such as money remittance and now prepaid MasterCard cards.

JAPAN: ***Bloomberg Business:*** Japan Post Group is set to raise as much as 1.44 trillion yen (\$12 billion) in its initial public offering, making it the biggest debut share sale in the country since 1998. The triple sale of the government-owned postal giant will be offered at a range of 1,100 yen to 1,400 yen a share for Japan Post Holdings Co., a regulatory filing showed Wednesday. Its banking unit is being priced at 1,250 yen to 1,450 yen, and the insurance arm will be offered at 1,900 yen to 2,200 yen. Japan's government is selling the postal service, whose origins date back to 1871, mostly to citizens as part of Prime Minister Shinzo Abe's plan to get people to invest more of their savings.

ESTONIA: ***The Baltic Course:*** Although the Estonian Economy Ministry does not yet have a specific work plan to partially or completely sell or list on the bourse the state-owned postal company Omniva, the long-term plan is to reduce the state's ownership in the company.

October 6, 2015

POSTAL/FEDERAL NEWS

USPS Office of the Inspector General: **[How Can the Postal Service Improve Post Office Box Service?](#)** -- Post Office Box (PO Box) Service is a premium service offered for a fee to any customer and without charge to customers who are not eligible for carrier delivery. The service is provided exclusively through receptacles owned and operated by the Postal Service or its agents. PO Box rental rates have experienced multiple increases over time.

A customer rents a box by prepaying the box rent fee for a 3-, 6-, or 12- month period at a postal retail unit, a self-service kiosk, or online at usps.com. PO Box fees are based on the box size and the fee group to which the box's 5-digit ZIP Code is assigned. There are five box sizes and availability varies by facility. A postmaster (or designee) and a box customer cannot make any agreement that contravenes the regulations on PO Box Service or fees. Nationwide, the Postal Service manages over 21 million PO Boxes at over 33,000 postal retail units. In fiscal year 2014, box rentals accounted for \$913 million in revenue. The Postal Service uses the Web Box Activity Tracking System (WebBATS) to manage its PO Box Service. WebBATS can be used to post payments and refunds and generates more than 40 reports. Information regarding all PO Boxes must be entered into WebBATS to effectively manage inventory. Post offices are required to annually audit PO Box Service and two related services -- Caller Service and Reserve Service. Is the process for initiating PO Box Service customer friendly? What issues, if any, did you encounter when arranging for a PO Box? Have you experienced any issues when paying PO Box rental fees, either in person, online, or by self-service kiosk?

Postal Regulatory Commission: The GAO report made two recommendations to the Commission: 1) hold a public proceeding to address how the Postal Service can improve the completeness of its delivery performance information; and 2) provide more readily available data and additional analysis of the Postal Service's delivery performance information. The Commission adopts both recommendations

Senate Committee on Homeland Security and Governmental Affairs: Senators Tom Carper (D-Del.), Heidi Heitkamp (D-N.D.), Claire McCaskill (D-Mo.), and Jon Tester (D-Mont.), members of the Homeland Security and Governmental Affairs Committee, have responded to a new Government Accountability Office (GAO) report that found the on-time mail delivery performance results provided by the U.S. Postal Service (USPS) and Postal Regulatory Commission (PRC) are not complete and may not give an accurate assessment of service for many communities across the country.

The report, "Actions Needed to Make Delivery Performance Information More Complete, Useful and Transparent," outlines deficiencies in the Postal Service's measurement capabilities and makes recommendations to Congress to direct USPS and the PRC to improve the completeness, analysis and transparency of delivery performance information. Specifically, GAO called on USPS and the PRC to include more detail on the Postal Service's performance beyond the national level to include area and district performance. "As my colleagues and I have heard through numerous committee hearings, round tables, and countless conversations with postal customers, stakeholders, and management, service across the country, particularly in rural communities, is suffering," said Senator Carper, Ranking Member on the Homeland Security and Governmental Affairs Committee. "In order to fix these service problems, we need to figure out their root causes.

Unfortunately, the Government Accountability Office found that the delivery performance results that the Postal Service and Postal Regulatory Commission provide do not give Congress or postal customers an accurate assessment of service. While the Postal Service can and should take steps to address these serious shortcomings in performance and transparency, Congress must also help the Postal Service get better in this area. My bill, iPOST, would help put the "service" back in Postal Service by stabilizing operations and requiring measurable improvements to delivery performance across the country. It would also require the Postal Service to publicize its performance data on its website so customers in all areas of the country can assess how the Postal Service is doing in their communities.

I look forward to continuing to work with my colleagues in Congress, including Senators Heitkamp, Tester, and McCaskill, the Administration, and stakeholders to strengthen my bill and understand new ways we can help the Postal Service improve and maintain quality service across the country." "There is no question that mail delivery and service in rural areas like North Dakota are seriously lacking," said Sen. Heitkamp. "Through my Fix My Mail initiative I've heard about the challenges residents face getting mail on time, and an independent report I requested backed up those stories showing severe mail delivery problems in my state. As we learned from this new GAO report, how can the Postal Service possibly improve delivery in rural communities if it doesn't accurately track the time it takes to deliver mail to these areas? There is no reason why we shouldn't have access to that data. But we can change that. Senator Carper and I worked to include provisions in his bill to require the Postal Service provide definitions for urban, suburban, and rural communities, and mandate mail delivery performance goals that hold the agency accountable for improving delivery in underperforming communities. The reality is that rural communities,

like North Dakota, are disproportionately and unfairly impacted by cuts to mail service and delivery which have harsh impacts on families and small businesses living in those regions. But with real data at their disposal, as this bill would require, the Postal Service will know exactly where it needs to make changes."

"Today's report makes clear what we'd suspected about USPS service for rural Americans—that the Postal Service is unable to accurately measure its delivery times in rural areas. Until the Postal Service is able to accurately assess their own performance and address their ability to deliver on-time mail to rural customers, they can't possibly consider further consolidations of processing facilities and post office closures," said Senator McCaskill.

"Montanans tell me that there are serious delays in mail delivery and yet time and time again the USPS tells me they're doing great," said Senator Tester. " We clearly need better data that reflects what's actually happening on the ground. This report confirms what many of us in rural America have been hearing from our constituents for years." Over the past few years, in an effort to reduce costs and resize its vast network of processing and distribution plants, the U.S. Postal Service has shifted more and more mail volume from overnight to two to three day delivery. In response to concerns vocalized by constituents with delays in service beyond the Postal Service's self-regulated delivery standards, Senators Carper, McCaskill, Heitkamp, and Tester requested GAO review the Postal Service's ability to accurately measure delivery performance versus delivery standards across the nation and in some of the more rural areas of the country.

NATIONAL NEWS

Business Insider: Amazon Prime is becoming a major headache for college mailrooms. A report on Monday from the University of Connecticut's Daily Campus said the university was planning to make changes to its mailroom procedures in response to a flood of packages that have overwhelmed its staff. The basic problem is that there's nowhere for the packages to go: The mailrooms, originally designed to deal with letters received by students living in dorms, are simply not big enough to handle the volume of packages being received.

The Wall Street Journal: FedEx Corp. is raising its fuel surcharge for the second time this year, jolting e-commerce companies, retailers and other shippers with price increases just as they gear up for the make-or-break holiday sales season. The increase, which takes effect Nov. 2, would add about \$170 to the bill for shipping 100 shoeboxes overnight from New York to Atlanta, up from the \$67 added by the current surcharge. The figures, from an analysis by supply-chain consulting firm Spend Management Experts, are based on FedEx's published rates and the August average fuel price. The package-delivery company previously boosted its fuel-surcharge index in February, following a similar increase by rival United Parcel Service Inc. Their indexes determine how much the price of shipping a package will rise as fuel prices fluctuate. UPS's surcharge would add about \$200 to the cost of shipping the same 100 shoeboxes, the analysis found. FedEx's latest increase caught customers off guard because the company's fuel costs have been falling. The price of diesel fuel, which FedEx uses in its trucks, has plunged by about a third over the past year.

Business Wire: Quad/Graphics, Inc. has streamlined its organizational structure to better serve the evolving needs of marketers and publishers in today's multimedia world. "Marketing and publishing have been completely upended by the explosion of media options," said Joel Quadracci, Quad/Graphics Chairman, President & CEO. "We recognize that our clients need to connect content across channels and measure how each channel influences and impacts the other. To accomplish this goal they are rethinking organizational structures and eliminating silos, and we are no different. We are evolving our organizational structure to align with our clients' evolving needs. Our goal is to make it easier for our clients to take advantage of our full continuum of integrated solutions to help them generate increased engagement, response and revenues while reducing their total cost of production and distribution. Our streamlined organizational structure will contribute to an overall better client experience, while also helping Quad/Graphics realize improved efficiencies and cost-savings."

INTERNATIONAL NEWS

IRELAND: UTV: Full service is expected to be restored at An Post after the Communications' Workers Union (CWU), who represent staff there, agreed to suspend industrial action.

EUROPE: [Business Finance News](#): According to Wall Street Journal, FedEx Corporation's plans to take over TNT Express NV failed to attract European regulators. They require the company to sell its assets with concession, without which many fear a termination of the deal. FedEx has proposed \$4.9 billion bid for the acquisition. It believes that it shall not face any problem with it unlike United Parcel Service, Inc. Its deal was rejected by the Federal Commission in 2013, because of the fact that the merger would bring less competition in 15 EU countries, eventually hiking prices for deliveries borne by the consumers. Furthermore, UPS was also facing difficulties to find buyers for its assets. This time, it has made sure to make a convenient deal for FedEx and TNT.

October 5, 2015

POSTAL/FEDERAL NEWS

[USPS Office of the Inspector General: Are Carriers Correctly Reporting Package Deliveries?](#) Today the U.S. Postal Service uses several delivery status events to create a fully visible delivery system. It has increased its tracking from five to 13 possible scanning events, and uses both active and automated barcode scanning to track packages. Package tracking events can be viewed via the Postal Service's Track and Confirm system. The Postal Service uses package scanning data to measure service performance so it is visible to customers. Performance is measured from when the Postal Service first accepts a package for delivery and scans it as received to the first stop-the-clock scan event. The postal carrier uses a handheld scanner to perform this stop-the-clock scan, which indicates the Postal Service's commitment to deliver the package is complete. The Postal Service's goal is to provide world class visibility for its products and service. However, customers across the country are posting comments to social media sites about their experiences with Postal Service carriers. Many customers are commenting that carriers are not delivering or attempting to deliver their packages even though USPS.com tracking indicates otherwise. Carriers are required to scan packages they deliver or attempt to deliver at the point of delivery. Have you received notification that your package was delivered, but not received your package? Have you received notification of an attempt to deliver your package, but no attempt was made by the carrier? What improvements can be made so carriers can more accurately provide delivery scans for customers?

[U.S. Government Accountability Office: GAO-15-756 U.S. Postal Service: Actions Needed to Make Delivery Performance Information More Complete Useful and Transparent](#)

What GAO Found. U.S. Postal Service (USPS) measurement of on-time delivery performance has expanded greatly over the past 9 years, but remains incomplete because only 55 percent of market-dominant mail (primarily First-Class Mail, Standard Mail, Periodicals, and Package Services) is included (see fig.). The remaining 45 percent is excluded due to various limitations, such as not having barcodes to enable tracking. Incomplete measurement poses the risk that measures of on-time performance are not representative, since performance may differ for mail included in the measurement, from mail that is not. Complete performance information enables effective management, oversight, and accountability. In addition, the Postal Regulatory Commission (PRC) has not fully assessed why USPS data are not complete and representative. While PRC's annual reports have provided data on the amount of mail included in measurement, they have not fully assessed why this measurement was incomplete or whether USPS actions will make it so. PRC may initiate a public inquiry docket (a type of proceeding) to improve data quality and completeness, but has not done so. Such a proceeding could facilitate evaluating data quality and identifying areas for improvement, as well as actions and time frames to complete improvements. USPS's and PRC's reports on delivery performance are not as useful as they could be for effective oversight because they do not include sufficient analysis to hold USPS accountable for meeting its statutory mission to provide service in all areas of the nation. USPS's and PRC's reports provide analysis, as legally required. However, this national-level analysis does not facilitate an understanding of results and trends below the national level, such as for USPS's 67 districts, to identify variations and areas where improvements are needed. Further, delivery performance information is not sufficiently transparent or readily available. USPS posts only the most recent quarterly report on its website making it difficult for stakeholders to access trend data. Also, USPS and PRC are not required to provide—and do not report—performance information for rural areas. While several Members of Congress have recently requested studies on rural

delivery performance, USPS has stated that such analysis would be costly, even though it could not provide specific cost estimates. Such cost information would be useful for Congress to assess whether developing this information would be appropriate.

Why GAO Did This Study. USPS is in the difficult position of balancing cost-cutting actions to address its poor financial situation with efforts to provide prompt, affordable, and reliable mail service. GAO has previously reported that complete, useful, and transparent delivery performance information is essential for USPS and stakeholders to understand USPS's success in achieving this balance. GAO was asked to review how USPS measures delivery performance and how PRC assesses this information. GAO assessed (1) USPS's measurement of mail delivery performance and related oversight by PRC and (2) USPS's and PRC's reporting of this information. GAO reviewed USPS and PRC delivery performance data for fiscal years 2010-2015, delivery service standards, and measurement system documents, as well as applicable laws and leading practices identified in GAO's prior work.

What GAO Recommends. To assist in determining whether to require USPS and PRC to report on delivery performance for rural areas, Congress should direct USPS to provide cost estimates related to providing this information. Further, GAO recommends that USPS and PRC take steps to improve the completeness, analysis, and transparency of delivery performance information. USPS and PRC agreed with the recommendations addressed to them, but disagreed with certain findings on which they are based. GAO believes these findings are valid, as discussed in this report.

U.S. District Court for the District of Columbia: The United States Postal Service has established discounted rates for bulk mailers who take steps to ensure their address lists are accurate. USPS here claims that one of its customers, Plaintiff Southern California Edison, wrongfully availed itself of these rates while sending millions of mailpieces to customers at incorrect addresses. As a consequence, USPS slapped Plaintiff with a \$7 million revenue-deficiency assessment, which precipitated this suit. At the core of the dispute is the question of what penalty should come from the fact that Plaintiff's procedures for verifying customer addresses — a requirement for discounted postal rates — fell short of USPS's standards In now considering the parties' Cross-Motions for Summary Judgment, the Court finds that jurisdiction is proper, and that, even under the deferential "reasoned decisionmaking" standard of judicial review, USPS cannot support a revenue-deficiency assessment of the size entered here. Yet because Plaintiff acknowledges its noncompliance — and the costs that has imposed on Defendant — the Court believes some reduced assessment is appropriate. It accordingly remands to the Postal Service's appeals body to determine a more reasonable sum

Postal Regulatory Commission:

- **PRC Appoints New Commission Secretary.** The Postal Regulatory Commission today announces the appointment of Stacy L. Ruble as Secretary and Chief Administrative Officer. In his new role, Mr. Ruble will oversee the day-to-day operations of the Commission's Office of Secretary and Administration which provides management and staff support to the Commission's operational offices. Mr. Ruble succeeds Shoshana Grove who is retiring from the position after more than 40 years of service in the postal industry. The Office of Secretary and Administration develops, implements, and administers the Commission's financial management system and accounting activities including those relating to the budget; is responsible for human resources and personnel, management of the Commission's official records, facilities and infrastructure, continuity of operations planning, strategic planning; and serves as the point of contact for all Commission contracts and audits. Mr. Ruble joins the Commission after an extensive career in the Armed Forces. Most recently, he served as the Director of Field Support Activity for the U.S. Navy where he managed the Chief of Naval Operations' \$1.4 billion budget. In 2007, he retired from the United States Army as a Lieutenant Colonel after a 25-year career, specializing in transportation, finance, and logistics during which he received numerous commendations.
- **Mail Classification Schedule.** The Mail Classification Schedule describes every product offered to the public by the US Postal Service and serves as a standard reference work when reviewing ongoing postal products. A draft working copy of the Mail Classification Schedule is available here. It is typically updated

on a weekly basis in redline legislative format to represent the most current US Postal Service product offerings.

DOMESTIC NEWS

Huffington Post: With corporate-conservative calls for full or partial privatization of the United States Postal Service (USPS) escalating, groups are sounding the alarm about new nominees to the USPS Board of Governors. The Senate is scheduled soon to consider the nominations of Mickey D. Barnett, James C. Miller III and two other nominees. Miller is a notorious privatization advocate and Barnett is a payday lender lobbyist. The Leadership Conference, a civil & human rights coalition, has sent a public letter to Senate Majority Leader McConnell and Minority Leader Reid asking them to oppose the nominees. (Since all four nominees are to be voted on as a package, the Leadership Conference is asking that the entire slate be voted down. At Naked Capitalism, in Epic Fail for the Postal Service: The Wrong Model and the Wrong Board, the other two nominees are described as not particularly bad for the USPS, but are "... a reflection of a system that treats public service as a revolving door for political and economic elites. This leaves a permanent imprint of the one percent on government and may be one of the primary reasons for cynicism in the electorate.")

The Washington Post: After years of cost-cutting to adjust to steep financial losses, the U.S. Postal Service is contending with angry customers whose mail is taking longer — sometimes much longer — to arrive. New research by Congress' watchdog now says that the post office's tracking system for measuring on-time delivery is so unreliable that there's no way to know how late the mail really is. In an unusually stern report, the Government Accountability Office found the Postal Service's tracking of delivery times "far from complete" and called on the agency to provide "quality delivery performance information." Just 55 percent of the mail is even measured by postal officials, auditors found, making it unlikely that the agency is meeting its legal obligation to provide quality service to every corner of the United States. Current information on performance "is not sufficiently transparent or readily available," GAO found. "Quality delivery performance information is needed ... for postal stakeholders and the general public ... to assess the balance between USPS cost-cutting to address its poor financial situation while maintaining affordable postal rates and providing timely, universal delivery service," said the report, which has not been made public and was obtained by The Washington Post. Auditors also took regulators to task for their passive approach to the problem. And GAO criticized postal officials for failing to provide the public with data on whether they are meeting delivery standards for rural addresses compared to urban or suburban ones. Lawmakers representing rural states, who requested the GAO study, say spotty mail service is now the new normal across their districts, with cross-country and local delivery delayed by several days.

Commercial Carriers Journal: The American Postal Workers Union, which represents U.S. Postal Service employees, said Thursday it's opposed to an exemption request submitted recently by private, contracted mail carriers seeking an exemption from the federal 14-hour on-duty limit. Drivers of those for-hire carriers contracted by the USPS are "already overworked," the union says. The exemption request, says the union, is a means for the carriers to "squeeze a few extra hours of labor" out of their drivers. Related Mail carriers request exemption of 14-hour rule compliance NSRMCA requests that mail-carrying drivers have the ability to — after being off duty for eight consecutive hours — choose to be on-duty up to ... The National Star Route Mail Contractors Association, which represents for-hire trucking companies that carry U.S. mail, requested in August that drivers working for contracted mail carriers have the ability to — after being off duty for eight consecutive hours — choose to be on-duty up to 15 hours in a 24-hour period and drive up to 10 hours. NSRMCA says its drivers typically work in "split-shifts," breaking their on-duty time up with a nine-hour break between on-duty shifts. The postal workers union, however, disagrees with NSRMCA's assertions that the change won't impact driver fatigue or highway safety.

Fox6Now: You might think the checks you put in a mailbox are secure -- but U.S. postal inspectors say think again! They say outgoing mail in an unlocked box is an open invitation for thieves. The suspects were stealing the checks, and then using an elaborate process for duplication. "Using fairly sophisticated software computer equipment, they would scan these checks and print out all brand new counterfeit versions of these checks on blank check stock," Cunningham said. The suspects were essentially gathering all of the vital information on a check. "They would scan all the information on that check to include the company logo, the account number and then the routing number of that check," Cunningham said. Small business checks Small business checks They would then recruit individuals with an ID to cash the new check.

INTERNATIONAL NEWS

IRELAND: [eCommerce News](#): An Post, the state-owned postal services provider of Ireland, is joining the world of delivery boxes. Last month, An Post announced it has started its Delivery Box service. "No more missed deliveries, stress-free online shopping and your parcels delivered safely even when you are out", the company promises. The service, called very originally 'Delivery Box', offers a wall-mounted box which holds letters and parcels in a locked and weather-resistant box, as Post & Parcel writes. Customers will also be able to leave their stamped mail or online shopping returns in the box for collection by the courier. The box is allied to the nationwide delivery network of An Post and will cost 69.99 euros. Customers will get the box, access keys, installation template and activation card within five working days of ordering. As proof of delivery, An Post will use a scanning system so there's no need for a signature. And when a delivery has been made, the customer will get a notification.

IRELAND: [Irish Times](#): The strike that has led to postal services around the country grinding to a halt over recent days has been suspended. The Communications Workers Union, which represents staff at IO Systems, a contractor which maintains automated sorting equipment for An Post, said the industrial action had been called off after the company agreed to re-instate workers on their original rosters and pay levels. New talks between IO Systems and the Communications Workers Union are to take place to try to address the issues over revised rosters and consequent cuts to earnings which were at the heart of the dispute.

ITALY: [Journal of Commerce](#): Poste Italiane, Italy's state-owned postal company is expected to start selling shares in its initial public offering next week and make its debut on the Milan stock exchange at the end of October or early November. The Italian government is aiming to raise around 4 billion euros (\$4.5 billion) from the sale of 40-percent of the 153-year old company in the country's largest privatization in a decade. A successful listing of Poste Italiane, whose businesses also include logistics, finance and insurance, would pave the way for further sales of state companies, including air traffic control operator Enav, and Ferrovie dello Stato, the national rail company, in 2016. Poste Italiane, Italy's biggest employer with a 143,000-strong workforce, almost doubled its first-half net profit to 435 million euros from 222 million euros in the first six months of 2014, on revenue up 7 percent at 16 billion euros. The company, along with France's La Poste, is one of the few major fully state-owned European postal services following the partial privatization of the U.K.'s Royal Mail in late 2013.

IRELAND: [UTV](#): The state body is unable to process mail for delivery because of industrial action taken by staff belonging to a business which maintains automated sorting equipment. Post offices will open on Monday and post that is in the system will be delivered. Meanwhile, the union representing workers who are on strike has urged there is no need for An Post to suspend services. Some 36 workers who maintain the automated mail sorting systems at four An Post mail centres are in dispute with IO Systems in response to the unilateral imposition of rostering arrangements that cut their wages by 22%.

BARBADOS: [Nation News](#): Can the postal service in Barbados survive the next decade as it is today? The Postal Service has been much more than a provider of economic services and has served the common good of most Barbadians. It has been a vital link between people, whether intra-island, or internationally with relatives and friends overseas. It has also provided a key service for both Government and commerce. Over time there has been a sentimental link as much as a social and economic connection. But the advent of the Internet, the use of electronic transfers and rising competition from private courier providers have all inflicted serious blows to the post office network. As Barbadians – businesses and individuals – become even savvier with the technology, there will be even greater migration from what the post office now offers. It cannot continue in its current format.

PAKISTAN: [The Nation](#): Pakistan Postal Services Director General Fakir Syed Shaharyuddin said on Sunday that entire network of Pakistan Postal Services was being computerized to achieve world standard. Delivery of the service at door-steps of people with speed and accuracy would be ensured, he said in an exclusive interview with APP here. He said, the department of Pakistan Post Office (PPO) is a public utility organisation and not merely profit earning entity.

October 4, 2015

INTERNATIONAL NEWS

EUROPE: [*Morningstar*](#): FedEx Corp. has run into unexpected hurdles in its planned takeover of Dutch rival TNT Express NV, as European regulators consider demanding concessions, such as asset sales, which could throw the deal off course. FedEx (FDX) executives have portrayed the proposed EUR4.4 billion (\$4.9 billion) merger as a sure thing, arguing it bears little resemblance to an earlier bid for TNT by rival United Parcel Service Inc. That deal failed in early 2013 after resistance from Europe's antitrust cops. Then as now, executives of both companies were sure the deal would get a green light. European Union regulators could serve FedEx with a formal complaint listing their concerns in about two weeks, said people close to the deal, a step typically followed by negotiations over potential concessions.

October 3, 2015

POSTAL/FEDERAL NEWS

USPS Office of the Inspector General: Management Alert – [U.S. Postal Service Handling of Inbound International Mail at the \[redacted\] International Service Center in \(Report Number NO-MA-15-006](#) -- This draft management alert presents the results of our self-initiated review of the U.S. Postal Service Handling of Inbound International Mail. This alert addresses non-compliance with U.S. Customs and Border Protection (CBP) inspection requirements for inbound international mail at the ISC and lack of accurate data for inbound mail presented for inspection. We are issuing this alert to facilitate immediate corrective actions due to safety and security concerns.

INTERNATIONAL NEWS

IRELAND: [*RTE*](#): The Irish Postmasters Union has said industrial action affecting postal services has put its members livelihoods at risk, as well as seriously affecting the people they serve. Staff who maintain key equipment in the four An Post mail centres are taking strike action over cuts in pay. The 36 staff in question are employed by contractor IO Systems, but are retained by An Post to maintain the automated postal processing machinery at the centres in Dublin, Cork, Portlaoise and Athlone.

CHINA: [*The Washington Post*](#): China's postal service is ordering tighter checks on packages following a series of mail bombings that killed 10 people and injured 51. Mail carriers and overnight delivery services must conduct additional checks for explosives, dangerous chemicals, weapons, gunpowder and poisons, the State Post Bureau said on its website Saturday. Closer cooperation with police will also be required.

October 2, 2015

POSTAL/FEDERAL NEWS

[*Courthouse News Service*](#): Missing glue on a bulk mailing will cost Sears, Roebuck and Co., and two other companies more than \$1 million, a federal judge ruled Wednesday. In 2014, Sears, along with Segerdahl Graphics and Aspen Marketing Services, sued the United States Postal Service after it disqualified the companies from lower shipping rates on mailers because the mailers were not sealed properly. "This is case about an extra dab of glue - just an extra bit of stickum worth \$1.25 million," U.S. District Judge Rosemary Collyer wrote in her opinion. Sears, Segerdahl and Aspen mailed non-compliant fliers advertising three events in 2009. In 2012 the Postal Service certified debts against the companies that totaled \$1.25 million. The Postal Service's rule requires companies to seal rectangular self-mailers on both the top and the bottom as well on the open edge created when the mailer is folded in half. This prevents the Postal Service's processing machines from jamming on the open ends, according to the opinion. The companies said their mailers were sealed on the corners, and that the Postal Service's rule is not clear about where on each edge companies must seal their mailers. The companies claimed the Postal Service's decision was inconsistent with regulations and violated the Fifth Amendment because it was "retroactively reinterpreted." They also claimed the Postal Service charged them more than the costs the service actually incurred, the ruling says. The Postal Service's decisions are not subject to judgment under the Administrative Procedures Act, Collyer said, and therefore the agency can be said to have engaged in reasonable decision-making if it gave "reasoned

consideration" to the case. Because of this, Collyer said, she had to begin from a place of "strong presumption" in the Postal Service's favor. "The Postal Service's decision on a mailing rate classification should be overturned only when 'clearly wrong,'" Collyer wrote.

DOMESTIC NEWS

The Hill: A war over mail delivery is breaking out at the U.S. Postal Service (USPS), where public and private sector postal workers are fighting with each other over more driving hours. The American Postal Workers Union (APWU), the union that represents hundreds of thousands of U.S. Postal Service employees, is challenging a request for more driving hours by private trucking companies that also carry mail. The National Star Route Mail Contractors Association requested an exemption from driving safety rules for the private trucking companies that contract with USPS to deliver mail. At issue is a regulation from the Federal Motor Carrier Safety Administration (FMCSA) that prohibits truck drivers from operating commercial motor vehicles for more than 14 hours without adequate rest. The safety regulation is intended to prevent fatigued truck drivers from falling asleep at the wheel and causing accidents. The exemption would allow these private mail carriers to get around the rule — something that has the public sector mail carriers who are employed directly by USPS up in arms. The U.S. Postal workers, which compete with the private trucking companies to carry mail across the country, are challenging the exemption because they say it would jeopardize road safety.

NakedCapitalism: The US Postal Service's Board of Governors which has had a strong tendency to rubber-stamp management's plans, has been operating without a quorum. Board member terms are staggered and Obama served up a slate of nominees in March. I've attached a letter at the end of this post from The Leadership Conference to Senate Majority Leader Mitch McConnell and Senate Minority Leader Harry Reid urging them to reject Obama's set of five nominees in their entirety. In other words, they are telling Obama to start from scratch. The letter singles out two particularly troubling candidates. One is Mickey Bennett, who has been a lobbyist for the payday lending industry. One proposal to fix the Postal Service's trumped-up budget problems would be to offer low-cost financial services at bank branches. Needless to say, that's the last thing the predatory payday lending industry would like to see. Separately, anyone who has worked in or served as a lobbyist for industries known to engage in widespread abuses, like payday lending and debt collection, should be deemed to be unfit for government service of any sort unless they've become whistleblowers. Another nominee, James Miller, has advocated privatizing the Postal Service since his time at the Office of Management and Budget, back in the 1980s. He remains fixated on this idea, despite ample evidence that privatization leads to higher costs and worse service. Of course, I'm charitably assuming that Miller is actually interested in producing better results for the public, as opposed to a big looting opportunity for corporate interests. See also the [Washington Examiner](#).

Roll Call: The Treasury Department said Thursday it would reach the debt limit a bit earlier than was expected by many on Capitol Hill. Treasury Secretary Jacob J. Lew told Congress in a new letter that thanks in part to lower-than-expected quarterly tax receipts, the extraordinary measures to forestall breaching the debt limit, combined with the new revenues, will run their course just a week after the resignation of Speaker John A. Boehner, R-Ohio, takes effect. That makes it all the more likely the debt limit will need to be addressed before his departure. "Based on this new information, we now estimate that Treasury is likely to exhaust its extraordinary measures on or about Thursday, November 5," Lew wrote in a letter to Boehner. "At that point, we could be left to fund the government with only the cash we have on hand, which we currently forecast to be below \$30 billion. This amount would be far short of net expenditures on certain days, which can be as high as \$60 billion."

The Wall Street Journal: The most unlikely beneficiary of the online-lending boom may be the U.S. Postal Service. Thanks in large part to online lenders, the average monthly volume of personal-loan offers sent through the mail has more than doubled in two years to 156 million in the year through July from 73 million in the same period in 2013. In July alone, LendingClub mailed 33.9 million personal-loan offers, more than double the amount during the same month in 2014, according to Mintel Comperemedia, a database that tracks advertisements.

INTERNATIONAL NEWS

IRELAND: Independent: Union chiefs have blasted as "bizarre and reckless" a country-wide shut down of postal services over a row involving 33 outsourced workers. An Post claims it has no option but to urge people not to mail any letters or parcels across Ireland until further notice. It says strike action by one of their suppliers - IO Systems - has crippled its nationwide delivery services. "Due to the withdrawal of labour by staff of IO Systems, we are unable to process mail for delivery to customers," a spokeswoman said.

IRELAND: RTE: An Post has advised customers not to mail any items with immediate effect due to industrial action. Staff who maintain key equipment in the four An Post mail centres are taking strike action over cuts in pay.

October 1, 2015



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POSTAL/FEDERAL NEWS

USPS Office of the Inspector General:

- [U.S. Postal Service Promotions Program](#)

Background. The U.S. Postal Service implemented its Promotions Program in 2011 to encourage mailers to integrate technology with the mail and build customer awareness of mail use beyond standard letter and package delivery. As a result, it promotes the value of mail and provides an opportunity for mail to remain competitive in an increasingly digital society. For example, one promotion used color messaging to create greater connection with and response from consumers and another used mobile barcodes on mailpieces that a mobile device can read. In calendar years 2013 and 2014, the Postal Service offered 13 promotions involving about 2,600 mailers and provided over \$87 million in postage discounts. Eight of these promotions and almost \$5 million in postage discounts were for promotions that included some products which did not cover their direct costs. The Postal Service acknowledges that these discounts will not lead to cost coverage in the short term, but believes it can increase revenue in the long term by increasing the value of mail. Our objective was to determine whether the Promotions Program is effectively managed. We also identified other potential promotion opportunities.

What The OIG Found. Opportunities exist to further strengthen the management of the Promotions Program. The Postal Service has made progress developing and implementing individual promotions, however, it has not developed a comprehensive strategic promotions plan. Since the program's inception, more promotions have been introduced building customer awareness by integrating technology into the mail. The Postal Service has focused its efforts on individual promotions to retain and grow mail volume, integrate the use of new technology, and promote the value of mail to the digital community while building new uses for mail. Further, the Postal Service conducts analysis to determine individual promotion performance. However, there are no measureable targets for the program goals, so it is unknown how individual promotions contribute to the goals. The Postal Service does not have a comprehensive strategic plan for the Promotions Program because each individual promotion focuses on different content and outcomes. For example, some promotions focus on mail retention. By contrast, other promotions focus on integrating digital technology with physical mailpieces. However, without a comprehensive strategic plan that addresses such areas as measurable targets, promotion period, technology used, and postage discount rates, it is not possible to determine whether the results of individual promotions will accomplish the Postal Service's Promotions Program goals. We also found there may be opportunities to implement new promotions that add value and relevancy to mail.

What The OIG Recommended. We recommended management develop and implement reportable performance metrics to track program progress and measure the long-term value of promotional mail. We also recommended management develop and implement a strategy with well-defined documented processes to ensure major promotion program components are meeting the overall program goals by September 30, 2016.

- [Management Advisory Report - Solution for Enterprise Asset Management System – Vehicle Maintenance Facility Data](#)

Background. The U.S. Postal Service operates one of the world's largest transport and delivery fleets, which includes over 211,000 delivery, transport, and administrative vehicles. The Postal Service maintains the fleet using the Vehicle Maintenance Program at 316 Postal Service vehicle maintenance facilities and commercial garages throughout the country. Its Solution for Enterprise Asset Management (SEAM) system is a web-based application designed to improve fleet inventory tracking and visibility and standardize asset tracking and maintenance repair functions. This management advisory discusses errors noted in vehicle maintenance data during an earlier audit of vehicle maintenance facility efficiency nationwide. Our objective was to assess the accuracy and timeliness of selected vehicle maintenance facility operational data in SEAM.

What the OIG Found. We found inaccurate and untimely vehicle maintenance data in SEAM from fiscal year (FY) 2012 through Quarter I, FY 2015. Specifically, our analysis showed work orders had inaccurate repair times and costs and incorrectly remained open in a "complete status" in SEAM. Work orders are changed to a "complete status" when all parts and labor have been entered into the database and the work order is ready for management's review. Our analysis also showed that 325,520 work orders had been completed and were awaiting review, indicating that management did not perform a timely review of the work orders. Our analysis also showed that work orders were awaiting review for an average of 145 days. There is no established time for management to perform their review. These conditions occurred because staff and management were unable to correct errors in the system on commercial work orders, there was inadequate management oversight and training for staff, and there were limited edit checks and exception reports for "complete status" work orders in the system. VMF personnel are now able to correct commercial work orders as necessary; therefore, we are not making recommendations on this issue. Maintenance records and Business Intelligence reports showing maintenance costs and delinquent scheduled maintenance were not always accurate, resulting in data reliability errors totaling over \$292 million. We also verified that incorrect dollar amounts were not paid in SEAM; however, the incorrect data remained in the Business Intelligence reports. Without accurate and timely data, management has limited assurance that maintenance and cost data is sufficient and reliable for making operational decisions.

What the OIG Recommended. We recommended management update SEAM to generate exception reports to help monitor the accuracy and timely closure of work orders in "complete status." We also recommended management provide SEAM training for vehicle maintenance staff and improve vehicle maintenance facility repair operations and policies to ensure work orders are reviewed and closed timely.

Federal Register: Postal Regulatory Commission NOTICES New Postal Products , 59202–59203 [2015–24819] [\[TEXT\]](#)

DOMESTIC NEWS

Daily Kos: On Monday, the Washington Post ran an article whose title posed a question: Should the Postal Service be Sold to Save it? In a word: No. The piece identified symptoms of the Postal Service's decline, but failed to correctly diagnose the underlying cause: The Postal Service Reform Act, a bill requiring the Postal Service to set aside all of the money it will spend on retirement for employees retiring in the next 75 years—most of whom haven't been hired and some haven't been born. Most importantly, the article's focus on a prescription for privatization is wrong and ignores research challenging the notion that privatization is a more efficient, cheaper cure-all. Privatization will kill the Post Office, not save it. Privatization will also ensure corporate interests swoop in to profit from the 231 years USPS has spent serving Americans.

[Los Angeles Times](#): Brookings Institution scholar Elaine C. Kamarck has just issued a paper aimed at solving what she calls the "political stalemate" over the postal service. "The USPS exists right now in never-never land," she says in an accurate diagnosis. "It is not fully public and it is not fully private." Her historical analysis of what brought the service to its current dismal pass is compelling, and her solution combines conservative and liberal approaches: split the agency in two, bringing its responsibility for universal mail delivery entirely back to the public sector, and sending the rest of it out into world via total privatization. She's half right. The mandate for universal mail service should be chiefly a taxpayer responsibility. As for the rest, who needs it?

[Direct Marketing News](#): I write a lot of stories about rising postal rates, and a lot of people who depend on the mail to conduct their businesses read them. They're interested in postal rates because their businesses are in danger of going away if those rates get too high. At the outset of 2007, the year the Postal Accountability and Enhancement Act (PAEA) took effect, Standard Flats and Carrier Route volume was in excess of 23 billion pieces and some 16,000 catalog titles mailed in the United States. By 2013 flats volume had plummeted to about 3 billion pieces and about 6,000 of those catalogs ceased to exist. There are three key stakeholders in postal operations: big mailers, postal worker unions, and the Postal Service itself. The four major postal unions have voluminous membership rolls and full-time staffs. They are all planted in D.C., know all the players on Capitol Hill, and can muster tens of thousands of workers to demonstrate on a day's notice. The Postal Service is a government institution with annual revenues of \$67 billion. It fields an army of lawyers and has a chief lobbyist known as the Postmaster General, an office once held by Benjamin Franklin. The mailers have the Direct Marketing Association, The Association for Postal Commerce, and the ACMA, but they lag the other players in both gravitas and sheer numbers when it comes to playing legislative tag at the Rayburn Office Building.

[Franchising](#): PostNet is arming entrepreneurs across the country with business survival tips to weather apocalyptic conditions and ensure local businesses remain strong – even during a zombie plague. PostNet is the chain of Neighborhood Business Centers that provide printing, shipping, graphic design and marketing solutions for today's time-strapped small businesses and consumers. The global franchise has launched a marketing campaign equipped with multi-channel elements, including a zombie classification guide, small business survival tips, humorous videos, and a sweepstakes to win an all-expenses paid trip to London and participate in a "Zombie Infection Experience." Participating locations across the U.S. and Canada are also offering a limited time offer of 20 percent off your first purchase via their new Online Print Center through the end of October. Small business owners can find all of these elements at www.BeatZombies.com.

[Atlanta Business Chronicle](#): United Parcel Service Inc. on Wednesday opened a 208,000-square-foot, healthcare-compliant distribution and warehousing facility in New Jersey. The Atlanta-based package shipper and logistics company said the facility near Philadelphia International Airport is the first in its network to offer medical device companies autoclave capabilities, instrument inspection and surgical set replenishment, and more.

[The Wall Street Journal](#): United Parcel Service Inc. is investing in a tech startup that allows brand manufacturers to set up websites and sell directly to consumers, bypassing the middlemen. Two-year-old Ally Commerce Inc., headed up by a former eBay Inc. executive, has launched websites and other e-commerce services for brands including D-Link, Bosch and Electrolux. The startup has raised a total of \$8.4 million in two rounds of funding, and UPS declined to disclose the amount of its minority-stake investment. Direct-to-consumer online sales by manufacturers have become e-commerce's final frontier, and it is fast-growing. By next year, direct-to-consumer online sales are expected to become the largest source of sales for brand manufacturers at 34% of the total, according to a survey by Forrester. Brand manufacturers reported in the survey that their online sales grew nearly 30% in 2013, compared with about 14% growth for all e-commerce, according to the U.S. Census Bureau.

[The Berkshire Company](#): Last year, I wrote a letter to my United States Senators (Elizabeth Warren and Edward Markey) about the need for the Senate to confirm President Obama's nominees to the U.S. Postal Service ("USPS") Board of Governors. Senator Warren's staff didn't think that my letter warranted a response. One of Senator Markey's aides called my office to share the senator's support for this issue. He believed that some of the nominees would be confirmed during the "lame duck" session after the elections. None of the nominees were confirmed. In fact, no votes were taken on the Senate floor. The situation has only gotten worse. Due to term expirations, the Board of Governors was no longer going to have enough members to constitute a quorum for votes. Last December, using an astute parliamentary procedure, the Board of Governors created a "Temporary Emergency Committee" of

the remaining governors. The committee would have all the powers of the entire Board until enough members were confirmed to reconstitute a regular quorum. And the Senate continues not to act. The Committee on Homeland Security held hearings and confirmed the nominees in July. But there have been no votes on the Senate floor. This December, two more governors – Ellen Williams and Louis J. Giuliano – will have to leave the Board. Their terms actually ended last year, and they're currently in the "holdover year". That will leave only one appointed governor on the Board. One.

INTERNATIONAL NEWS

IRELAND: [*RTE News*](#): Postal deliveries face possible disruption from midnight as staff who maintain key equipment in the four An Post mail centres commence strike action over cuts in pay. The 36 staff in question are employed by contractor IO Systems, but are retained by An Post to maintain the automated postal processing machinery in the centres in Dublin, Cork, Portlaoise and Athlone. The Communication Workers Union said the dispute arose on 31 August when IO Systems introduced shift and roster changes resulting in income reductions from significant overtime and premium payments. The union instructed members not to cooperate with the changes and to stick to their existing work practices.

JAMAICA: [*The Wall Street Journal*](#): Who needs an ad-blocking app when your telecom operator will prevent ads from reaching your mobile device? Wireless operator Digicel will soon begin blocking online advertising from traveling across its networks in the Caribbean and South Pacific, the company announced Wednesday. German telecommunications group Deutsche Telekom is also considering blocking advertising on its networks, a person familiar with the matter said. Jamaica-based Digicel said online advertising companies such as Google, Facebook and Yahoo will now be required to pay to deliver ads to its subscribers, or can expect to have them blocked. "Companies like Google, Yahoo and Facebook talk a great game and take a lot of credit when it comes to pushing the idea of broadband for all – but they put no money in. Instead they unashamedly trade off the efforts and investments of network operators like Digicel to make money for themselves," said Denis O'Brien, chairman of Digicel Group, in a statement.

WORLD MARKETS: [*The Wall Street Journal*](#): Logistics in emerging markets have long centered around the movement of large quantities of manufactured goods or commodities between businesses. But rising consumption driven by a growing middle class is set to change that, according to new research reports. The development of consumer markets in Asia, Africa and Latin America are changing distribution channels, Transport Intelligence Ltd. and Kewill, a logistics management software provider, said in a report Wednesday. They predicted that by 2020, 1.8 billion people will be in a "consuming class," spending \$30 trillion, up from \$12 trillion today. The shift will require logistics firms to focus on parcel delivery to consumers in developing countries, which has traditionally taken a backseat to exports or the movement of raw materials and parts through global supply chains. Parcel shipments from businesses to consumers will grow nearly 14% a year in the next five years in the Asia-Pacific region, outstripping growth in North America and Western Europe, consulting firm Accenture said in a report presented at the Post-Expo conference for postal, courier and express industries in Paris this week. By 2020, business-to-consumer parcel shipment volume will surpass business-to-business volume in terms of parcel volume in the region, the consultants said. Logistics firms around the world are already scaling up capacity and infrastructure to meet this growing consumer demand.

GERMANY: [*Post & Parcel*](#): UPS has doubled its throughput at its Nuremberg hub to 30,000 parcels an hour, using technology from Siemens Postal, Parcel & Airport Logistics (SPPAL). The sorting process, which was previously done using a conventional conveying system, is now achieved with an automatic system with five Visicon singulators, eight sorters and a total of 87 terminal stations.

SLOVENIA: [*Balkan Business News*](#): Pošta Slovenije, the national postal company, has acquired the logistics business of Mladinska knjiga, the country's no. 1 publisher, in a deal worth just shy of EUR 13m, the companies revealed on Wednesday. The company plans to leverage the new capabilities to expand its parcel delivery and supply chain business, which has so far been constrained by lack of warehousing space. The Mladinska knjiga logistics division performs logistics services for the publisher as well as third parties and has been profit-making.

NETHERLANDS: [Marketwatch](#): Dutch postal firm PostNL N.V. PNL said Thursday measures announced by the Dutch Authority for Consumers and Markets, which regulate access of other postal operators to PostNL's network, could limit its competitive position and impact it by up to 30 million Euros (\$33.96 million) to EUR50 million over the next three to four years. The decision by the Dutch Authority for Consumers and Markets concern a tender of the Municipality of Rotterdam and the 2015 Tariffs. PostNL said it believes these decisions and possible measures could hamper the reliability and accessibility of postal delivery in the Netherlands.