



## 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 November 2013*


*November 30, 2013*

 [Stuff](#): The decline in the mail is dramatic (see graph), with people sending fewer letters and instead preferring to email, text or phone. This trend began in earnest in 2002 and has only been partly offset by the rise in parcel delivery as people buy more online. NZ Post's current infrastructure is built to deliver over a billion mail items a year, yet it handled just 771.5m of them in the past financial year. Generally those who decry the changes believe the postal services should be run as a public service, effectively cross-subsidised by its wholly-owned subsidiary, Kiwibank, Roche says. "Cross subsidisation is something we do not think is sustainable. We want each of our businesses - the courier business, the bank, the postal business - to provide contributions to profits," New Zealand Post chief executive Brian Roche says.


 [AFP](#): America's plain old telephone network is rapidly being overtaken by new technology, putting US regulators in a quandary over how to manage the final stages of transformation. Though the timing remains unclear, the impact of change and what it means for roughly 100 million Americans who remain reliant on the dated but still-functional system of copper wires and switching stations is up for debate. The Federal Communications Commission is working toward drafting rules in January to formalize the IP transition -- switching communications systems to Internet protocol.


 [Wall Street Journal](#): San Jose, Calif., was the richest major city in the country last year, according to the U.S. Census Bureau's survey of median household incomes. More than 100 tech-related firms including Adobe Systems, Cisco, PayPal and eBay are based in the self-proclaimed capital of Silicon Valley. Yet in Mayor Chuck Reed's view from the 18th floor of city hall, San Jose in recent years has been dead broke and slouching toward bankruptcy, propelled by ruinous public-pension obligations. Over the past decade, he says, the city has shed 25% of its workforce, including 20% of its police department, to cover soaring retirement costs. [*EdNote: When the chickens come home to roost.*]


 [The Prince George Citizen](#): The new Purolator headquarters in Prince George is supposed to have the bugs all worked out of its systems by now, but the next few weeks will test it to the limit. The national courier service, a division of Canada Post, is already feeling the effects of the annual Christmas rush, but they have their hearts set on a new northern B.C. record for parcel delivery.

 [From the Federal Register](#): **Postal Service NOTICES** Meetings; Sunshine Act , 72131 [2013-28822]  
[\[TEXT\]](#) [\[PDF\]](#)

*November 29, 2013*

 **KTVN:** The Postal Service says it will handle more than 420 million packages this holiday season, an increase of 12% over last year. According to market research company Forrester, 167 million shoppers will go online to buy presents this holiday season, spending an average of \$472 for the holiday season. Last year, the U.S. saw \$68.4 billion in sales and the year before it was \$59.5 billion.

 **YLE:** Postal workers and employees have agreed to the state labour mediator's compromise deal, allaying fears of a festive season mail halt. The resulting collective bargaining agreement will be in force for the next 11 months.

 **DMM Advisory: Statement to the Mailing Industry – USPS Defers Implementation of Full-Service Intelligent Mail Requirement for Automation Prices.** The U.S. Postal Service® is disappointed with the portion of last week's ruling from the Postal Regulatory Commission (PRC) which held that the implementation of Full-Service Intelligent Mail® barcode (IMb™) constitutes a rate increase. This ill-conceived decision will impair complete adoption of Full-Service IMb and hinder the Postal Service's ability to promote a technology that enhances the value of mail, which is critical to the development of next-generation digital products and services. The PRC's overly expansive view of the price cap demonstrates why comprehensive postal reform legislation should include additional pricing authority for the Postal Service Board of Governors.

Due to the PRC ruling, the Postal Service is delaying the Jan. 26, 2014, implementation of the Full-Service Intelligent Mail requirement for automation price discounts. Mailers who are not currently enrolled in Full-Service effective Jan. 26, 2014, will still be able to claim automation prices. To achieve the best pricing, however, mailers must continue meeting Full-Service requirements.

Despite this delay, the Postal Service remains strongly committed to Full-Service adoption for all mailers. The value of Full-Service is well known and helps the mailing community to get the best value-added experience for its mail. The Postal Service will continue moving aggressively to achieve 100 percent visibility in the mail through Full-Service. We encourage mailers to contact their Mail Service providers and Software vendors to help transition to Full-Service to get the Full-Service discount prices and access the benefits listed below.

We have developed an online Intelligent Mail Small Business Tool that enables even the smallest mailers to take the first steps into Full-Service. The tool remains in place and local bulk mail entry units will continue assisting very small customers and provide them information on how they can use the small business tool to prepare mailings to receive automation and Full-Service discount prices.

Full-Service provides customers with: (1) An additional per piece discount on every Full-Service mailpiece. (2) Address correction information at no additional cost for Full-Service mailpieces, providing Change of Address (or COA) information and Nixie (or undeliverable-as-addressed) information. (3) The ability to track service performance through reports and scan information. (4) Container, tray and mailpiece visibility. (5) Annual permit fees waived when 90 percent or more of cumulative annual mailings consist of Full-Service mail. (6) The opportunity to use the same permit at any location via our Mail Anywhere program.

To learn about the benefits and requirements of Full-Service, visit our RIBBS® website at <http://ribbs.usps.gov>. Click on Latest News under the Intelligent Mail Services tab to find the latest news on Full-Service – including the simplified process for testing Full-Service mailings. To expedite mailers' participation in Full-Service, a list of authorized software vendors that have tested their products with the Postal Service can be found on RIBBS/Certifications/eDoc & Full-Service <https://ribbs.usps.gov/index.cfm?page=electronicdoc>.




*At the Postal Regulatory Commission:*


- R2013-10 Response of the United States Postal Service to Order No. 1890  
<http://www.prc.gov/docs/88/88458/CPI%20Remand%20Response%20%5BFINAL%5D.pdf>

Full-Service IMb Requirement As noted above, and in compliance with Order No. 1890, **the Postal Service has chosen to defer the implementation date of the Full-Service IMb requirement (for access**


**to automation rates) until a later date after 2014.** The Postal Service is attaching (as Attachment C) a draft of the Federal Register notice it intends to publish, announcing the deferral of the Full-Service IMb requirement. Accordingly, pursuant to Order No. 1890, **the Postal Service will implement the proposed prices for First-Class Mail, Standard Mail, and Periodicals on January 26, 2014 without further revision,** other than the revisions set forth in Section III below. Although the Postal Service is complying with the Commission's directive, it believes that the Commission's finding – that the Full-Service IMb requirement, by changing the basic characteristics of the mailing, constitutes the redefinition of a rate cell – oversteps its authority and improperly involves it in the operations of the Postal Service. The intent of the Congress in passing the Postal Accountability and Enhancement Act was to afford the Postal Service true pricing flexibility, unencumbered by the Commission's own vestigial views on pricing. The Commission's findings on the Full-Service IMb issue ignore that Congressional intent, inappropriately expand the scope of the price cap, and erode whatever pricing flexibility the Postal Service purportedly enjoys.


- R2013-11 Responses of the United States Postal Service to Questions 1-12 of Presiding Officer's Information Request No. 9  
<http://www.prc.gov/docs/88/88449/POIR-9-Resp-FINAL.pdf>
- R2013-11 Responses of the United States Postal Service to Questions 1-7 of Presiding Officer's Information Request No. 10  
<http://www.prc.gov/docs/88/88451/POIR-10-Resp-FINAL.pdf>
- R2013-11 Responses of the United States Postal Service to Questions 1-13 of Presiding Officer's Information Request No. 11  
<http://www.prc.gov/docs/88/88452/POIR-11-Resp-FINAL.pdf>


 **BBC:** The Royal Mail has warned that an increase in competition from other companies could jeopardise the future of the postal system. Homes and businesses in Manchester - where TNT Post now delivers - were sent a stark letter by the Royal Mail, claiming its "universal service" is in danger. Royal Mail Operations Director Stuart Simpson told BBC Radio 5 live's Breakfast: "Ultimately if they pick off all the big cities and don't deal with the rural areas - that could threaten the stability in the long term." Ofcom said it did not believe the service was under threat from competing postal networks, and TNT called the letters "scaremongering".


 **Mirror:** Royal Mail sell-off: Goldman Sachs admits share price will ALMOST DOUBLE and predicts redundancies at postal service. The taxpayer could have lost £1.7 billion after a bank that told the Government to sell Royal Mail on the cheap nearly doubled the postal firm's price tag. Goldman Sachs said modernisation would boost productivity and "facilitate head count reduction", which would "deliver further margin improvement". It predicted Royal Mail's profits would soar to £757m by 2016.

 **Copenhagen Post:** Delivery firms allege that Post Danmark is using taxpayer funds to keep the prices of its advertisement delivery business artificially low.


 **IOL:** Portugal is preparing for its first initial public offering (IPO) in more than five years as the nation recovers from 10 quarters of contraction that has erased about 70 percent in market value. The government will sell 70 percent of postal service CTT-Correios de Portugal next week. Portugal is counting on the offering to reduce debt and narrow its budget deficit as the third-most indebted member of the euro zone seeks to meet EU targets. The nation plans to exit a rescue package in June next year after it became the third country to ask for an EU-led bailout almost three years ago, as soaring bond yields forced it out of the borrowing market.


 **Associated Press:** Striking Portuguese postal workers have scuffled with police during a protest against the national mail company's privatization. Some pickets tried to stop mail trucks leaving a major Lisbon distribution center late Thursday, and police moved in to clear the way. Some trade union leaders and lawmakers were caught up in the commotion, prompting an emergency debate Friday in Parliament after the Communist Party accused police of using excessive force. Portugal is privatizing companies to reduce its debt as part of a 78 billion-euro (\$106 billion) bailout it received in 2011.


 [Post & Parcel](#): The Scottish government has pledged to return Royal Mail's Scottish operations to public ownership if Scotland votes for independence from the UK next year.


 [Yahoo! Finance](#): The TV business is having its worst year ever. Audience ratings have collapsed: Aside from a brief respite during the Olympics, there has been only negative ratings growth on broadcast and cable TV since September 2011, according to Citi Research. People are unplugging. Cable TV ratings are sinking. Fewer people are watching TV. So why are ratings in decline? We're at the beginning of a major historical shift from watching TV to watching video — including TV shows and movies — on the internet or on mobile devices. *[EdNote: See....It isn't just the posts that have been disrupted by technology.]*

**November 28, 2013**


 [YLE](#): The state-owned postal services company Posti says it's hiking mail prices because a decrease in the quantity of snail mail has made delivery operations less profitable. *[EdNote: Now...let's try to follow the logic here. The post's business is less profitable because fewer businesses and people are using the mail. And it's solution? Raise prices. Somehow I don't think that is going to cause business to want to stay in the post.]*

 [San Francisco Chronicle](#): A federal appeals court on Wednesday upheld the U.S. Postal Service's decision nearly five years ago to deliver mail to the front desk or a central collection box rather than to individual mailboxes at most of San Francisco's 500 single-room-occupancy hotels. [Court Opinion](#)

 [Financial Times](#): In a robust defence of the government's handling of the sale, Vince Cable, business secretary, said he was "very happy" with his previous description of the rise in Royal Mail's share price since privatisation as "froth". Mr Cable told the Commons business committee that markets were often volatile or irrationally exuberant and it could take a year or more to determine the postal operator's true value.

 [The Reporter](#): With military deployments and hospital stays, the group says, our nation's heroes will be away from their families this holiday season. So the Red Cross is collecting and distributing cards to send them words of encouragement, gratitude and cheer.

**November 27, 2013**

 [Business Weekly](#): The United Nations has bought into wireless location technology from Cambridge smart systems pioneer RedBite Solutions. RedBite won the open, global Radio Frequency Identification tender from United Nation's Universal Postal Union (UPU). The UPU solution will be built on RedEdge - a customised RedBite platform technology for cloud-based RFID infrastructure. The new platform has the ability to drastically reduce the cost and complexity of RFID deployment.




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


*[EdNote: What?? You're not yet [a member of PostCom](#)? You should read what you're missing.]*

- January 2014 IMb Full-Service Implementation Plan Hits Hurdle
- USPS Still Planning on Feb 2014 Phase 2 Network/Service Standard Changes...
- USPS Adds RIBBS Feature to Show Updated Files
- USPS Ready for Peak Season
- New USPS CIO Shares "Simple Vision"
- USPS and Industry Continue Work on Updated Flats Strategy
- USPS Says Test Shows "Load Leveling" is Good for USPS
- 2014 Software Release Schedule
- USPS/Industry to Explore Interim Visibility Options
- USPS Adds Another Internal Diagnostic Tool
- 2013 Promotions Results
- 2014 Promotions/Incentives
- IMpb Rules Coming Soon...Really
- USPS Will Revise Digital Publication Policy
- USPS Continues Experiments with Delivery

- USPS Working to Clarify FSS Preparation Requirements
- eInduction Begins Phased Deployment
- USPS HUB Implementation Plan
- Changes to Maximize 5-Digit Scheme Labeling Lists
- MTEOR Pilot for Local Mailers
- More Discussion Needed on Labeling List Update Schedule?
- USPS to Perform PostalOne Data Clean-Up
- USPS to Expand Surface Visibility
- USPS Paper/Print Workshop Held
- FSS High Speed Flats Feeder (HSFF)
- FSS Improvements Scheduled for December/January
- MTAC User Group Updates

- Choices
- USPS Exploring Parcel Returns Offerings
  - Secure Destruction Offering Now Slated for Fall 2014
  - RIBBS to Get RSS Feed
  - Sustainability Report on Mailings Available to Mailers
  - USPS Considering New UAA Study for 2015
  - CASS Cycle O Requirements
  - IMbA Roll Out Planned for October 2014
  - USPS Exploring Remittance Mail Redirect Product Concept
  - First-Class Mail (FCM) Residual and Meter Categories
  - Mail Service Provider (MSP) Certification
  - Nonprofit Mailer MIDs and CRIDs

 **Washington Post:** The U.S. Postal Service Inspector General's office said Wednesday that it is launching an investigation into the shift in mail delivery to evening hours, a change that's alarmed letter carriers and customers. The probe by the Postal Service watchdog comes less than a week after a carrier was fatally shot in suburban Maryland as he was delivering the mail. The killing last Saturday of Tyson Jerome Barnette, a part-time carrier who relieved full-time carriers of excess workloads, has focused attention on the increasingly late hours that mail is delivered and why. Barnette was shot in Prince George's County about 7:30 p.m.

 **Post & Parcel:** Major mail customers in the United States have called for regulators to reject a USPS bid to raise postage rates by three times inflation. The group of industry associations said yesterday that the central argument of the Postal Service, in its request to raise retail rates next year by 6.5% and business rates by 5.9%, was "nonsensical". The businesses argue that the progressive shift of communications to the Internet has been the main factor in the loss of mail volumes in recent years, although they concede the recession did cause some of the mail volume losses. The coalition, which includes the Direct Marketing Association, the Association of Magazine Media, the Association for Postal Commerce and the National Newspaper Association as well as groups representing catalogue firms, printers, non-profits and the IT industry, said USPS was not entitled to use above-inflation price increases to compensate for losses to the Internet. The mailers suggested said no one could take USPS claims seriously that nearly all of the mail volume losses since 2007 were the result of the recession, and that the effects of the recession would get worse in 2014 and 2015.

**SOME POINTS CONGRESS SHOULD KEEP IN MIND AS IT CONSIDERS POSTAL REFORM**

**Regarding the wrong-headed call for mailers to pay higher postal rates because facility closures and labor cuts have gone far enough--the "mailers should have more skin in the game" nonsense-- here are some facts Congress should keep in mind.**

- **The ENTIRE cost of providing the nation a universal mail delivery system is underwritten by the postage dollars that MAILERS (not management and not labor) pay. We already have substantial skin in the game.**
- **When management screws up or when labor decides to "grieve" every damn thing, the cost for all that waste and inefficiency is borne by MAILERS, not management or labor. We REALLY have skin in the game.**
- **When management compensates the wrong people for doing other than the right thing, or when labor "wins" pay, benefits, and work rules that do little to enhance**

the Postal Service's fiscal viability, the costs for all those snafus are paid for by **MAILERS** -- not management or labor.

*Mailers are out of skin. Congress should leave our muscle and sinew alone!*



*At the Postal Regulatory Commission:*

- [Docket No. C2013-10](#) Complaint of American Postal Workers Union, AFL-CIO): **Order Granting, In Part, Motion To Dismiss And Holding Complaint In Abeyance Pending Further Action** -- *"The United States Postal Service Motion to Dismiss the Complaint of the American Postal Workers Union, AFL-CIO, filed September 26, 2013, is granted as to the APWU's claims under 39 U.S.C. §§ 403(c), 3661, and 3691(b)(1)(B). The Commission defers ruling on the APWU's claim regarding 39 U.S.C. § 3691(d)."*
- R2013-11 Comments of the Saturation Mailers Coalition and Association Commenters on Rate Adjustment Due to Extraordinary or Exceptional Circumstances <http://www.prc.gov/docs/88/88433/SMCComments.pdf>
- R2013-11 Comments of Boardroom, Inc. [http://www.prc.gov/docs/88/88415/Boardroom comments on R2013-11.pdf](http://www.prc.gov/docs/88/88415/Boardroom%20comments%20on%20R2013-11.pdf)
- R2013-11 Comments of the National Postal Mail Handlers Union in Support of Postal Service Request for Rate Adjustment <http://www.prc.gov/docs/88/88441/Comments.pdf>
- [Postal Regulatory Commission Job Vacancy Notice Attorney Advisor, Associate](#)
- Mailing Services (Market Dominant Products) Revenue, Pieces & Weight by Classes of Mail and Special Services for Q1, Q2, Q3, Q4 and Summary FY2013 <http://www.prc.gov/docs/88/88443/LETTER%20RPW%20REPORT%20FY%2020131127150319.pdf>  
[http://www.prc.gov/docs/88/88443/Fy2013\\_RPW-summaryreport\\_public.xls](http://www.prc.gov/docs/88/88443/Fy2013_RPW-summaryreport_public.xls)  
[http://www.prc.gov/docs/88/88443/Fy2013Q1\\_RPW-summaryreport\\_public.xls](http://www.prc.gov/docs/88/88443/Fy2013Q1_RPW-summaryreport_public.xls)  
[http://www.prc.gov/docs/88/88443/Fy2013Q2\\_RPW-summaryreport\\_public.xls](http://www.prc.gov/docs/88/88443/Fy2013Q2_RPW-summaryreport_public.xls)  
[http://www.prc.gov/docs/88/88443/Fy2013Q3\\_RPW-summaryreport\\_public.xls](http://www.prc.gov/docs/88/88443/Fy2013Q3_RPW-summaryreport_public.xls)  
[http://www.prc.gov/docs/88/88443/Fy2013Q4\\_RPW-summaryreport\\_public.xls](http://www.prc.gov/docs/88/88443/Fy2013Q4_RPW-summaryreport_public.xls)


**Forbes:** In the world of web apps, how fast your app can scale can mean all the difference. In what appears to be the latest barrage in the Google GOOG +1.23% versus Amazon battle for cloud supremacy, the company demonstrated an interesting method to scale to 1 million requests a second for the astonishing low price of just \$10. [EdNote: Sure hope the Postal Service is following that one.]


**Wall Street Journal:** The European Commission has decided not to withdraw from the so-called 'Safe Harbor' agreement on data protection following a review of the trans-Atlantic data-sharing pact, according to a draft commission document reviewed by The Wall Street Journal Tuesday. Safe Harbor protects U.S. companies that participate from being sued in Europe under the European Union's data protection directive. Instead, it allows breaches to be dealt with in the U.S., while offering the same protection for EU companies operating in the U.S. While the protections are reciprocal, the agreement primarily benefits U.S. companies, by shielding them from lawsuits under EU legislation, which is tougher in this area than its U.S. counterpart.


**Yahoo! Business:** The average website homepage has **less than ten seconds** to grab a user's attention before they move on.


**Sud Ouest:** Postal truck burned in Charente: 2380 Parcel destroyed eleven departments concerned 2,380 parcels were lost in the disaster, early Tuesday morning, totaling Jurignac on the RN10.


**Deutsche Post DHL** **Postal Technology International:** DHL will open a new £100m logistics hub at Manchester's new Airport City, which will transform the airport from a regional transport hub into an international destination.


 [ComputerworldUK](#): Royal Mail saw operating costs for its European parcel business increase in its half-year results, as the group aims to invest in IT in order react quickly to its competitors' online initiatives. The group is relying on the parcel business to drive growth going forward, as online business has chipped away at the distribution of addressed letters.


 [Postal Technology International](#): Russian Post has opened its first multi-functional logistics centre in Russia, which offers combined-use facilities never before used by the postal operator in one building. The new centre has been fitted with mail automation equipment to process and sort items to the correct delivery address as well as a security area for the customs clearance of international mail. Russian Post said the centre is the first of its kind in the country and has been equipped with modern automation systems that are integrated with the post's IT systems to sort and exchange mail.


 [Postal Technology International](#): In response to a quality of service report published by independent regulator Ofcom last week (22 November), which revealed Royal Mail had missed key performance targets for fiscal year 2012/13, the postal operator has carried out its own independent research revealing it remains ahead of targets for the coming year.

 [Financial Times](#): Reality checks are always useful. So amid the political furore over the stock market flotation price for Royal Mail, first-half results on Tuesday were very welcome. Like last week's report from the group's regulator, Ofcom, these painted a more nuanced picture of the British postal operator than stock market bulls endorse. For a start, the numbers were a reminder that, at heart, Royal Mail is a slow-growth business, vulnerable to competition. Royal Mail shares trade on 16 times forward earnings – rich compared to postal peers and in line with Deutsche Post/DHL. Even allowing for potential asset sales, and putting GLS on an express player multiple, Barclays gets to a fair value of 500p. True, operating profit is sensitive to small changes in UK revenues. Still, at current ratings, Santa's elves had better be very busy this Christmas.


 [Wall Street Journal](#): In London, shares in recently listed Royal Mail rallied over 5% after the company reported a rise in first-half profit. The U.K. postal service—reporting its first set of earnings since floating on the London Stock Exchange in October—cautioned that it was winning fewer new business customers, while others had switched to competitors due to the risk of industrial action. "Gradual but terminal decline of the letters business is an ongoing challenge," said Richard Hunter, Head of Equities at Hargreaves Lansdown Stockbrokers. "That being said, most of the key metrics are moving in the right direction, helped along by a tight rein on costs, lower than expected transformational expenditure and a focus on the important area of margin expansion."


 [American Postal Workers Union](#): On Nov. 10, in a deal that has been in the works at least since March, the USPS announced it was launching a pilot program to put postal retail units in Staples stores across the country. Some sites opened quietly in October and others have opened in the last two weeks, including some where ribbon-cutting ceremonies were held. "This is a direct assault on our jobs and on public postal services," said APWU President Mark Dimondstein. "The APWU supports the expansion of postal services. But we are adamantly opposed to USPS plans to replace good-paying union jobs with non-union low-wage jobs held by workers who have no accountability for the safety and security of the mail," he said. "Postal workers deserve better, and our customers deserve better." In a meeting with Postmaster General Patrick Donahoe on Nov. 20, the union president insisted that if the plan proceeds, the postal units at Staples must be staffed by career postal employees. The APWU has requested information about the specifics of the deal, and has instructed the union's attorneys to explore legal avenues to challenge the program. The APWU also has requested a meeting with Ron Sargent, the Chairman and CEO of Staples, to discuss our concerns, Dimondstein said. He also expects to have additional discussions with postal management.


 [ChannelNewsAsia](#): Singapore Post (SingPost) has launched remittance services to Myanmar at all its post offices.


 [Reuters](#): Britain's sale of the Royal Mail postal service, its biggest privatization in decades, would have been put at "considerable risk" if it had tried to raise the price at the last minute, ministers said on Wednesday. The selloff of

Royal Mail has grabbed headlines in 2013, with unions and opposition lawmakers heavily criticizing the government after shares in the firm rocketed by as much as 80 percent above the October 330 pence offer price.

 **Hispanic Business:** The Postal Corporation of Kenya (PCK) is seeking to form joint ventures with real estate investors in a bid to take its services closer to the people and grow revenue. PCK said the joint venture will also enable it to provide 550,000 additional letter boxes, in a deal that will see investors either offer space for rental or offer space and sell the products and services. PCK is targeting owners of shopping malls, gated communities, government offices and other business premises. Strategic plan This is the latest in a series of initiatives by the corporation to grow its revenue as more people adopt Internet use which is hinged on the low cost of transactions, safety, and speed.

 **Baltimore CBSLocal:** Union reps say letter carriers work under a substantial amount of pressure and many try to make their deliveries under the safety of daylight, but with cutbacks that's not always possible. In a statement to WJZ, a spokesperson with the U.S. Postal Service released a statement saying "We are all deeply saddened by this tragic incident and our thoughts and prayers are with the family, friends and co-workers of Tyson Barnette. The safety and welfare of our employees is our primary concern." But postal workers beg to differ, expressing deep concern and fear for their lives at a candlelight vigil. "If they're not providing you anything to deliver your job as safe as you can, why are we out here," a female letter carrier said.

 **Helsinki Times:** The ongoing wrangle over the terms and conditions of employees represented by the Finnish Post and Logistics Union (PAU) could result in a nationwide strike and threaten Christmas deliveries, postal services provider Itella estimates. "Unfortunately, we wouldn't be able to handle the backlog before Christmas," concedes Eikka Urpilainen, a director at Itella.

 **Telecompaper:** The Italian Post Office, Poste Italiane, has signed a strategic agreement with its Russian counterpart, Russian Post, to collaborate in the development of e-commerce services, logistics and hybrid mail. The deal was signed in Trieste at a bilateral summit between Russian and Italian government ministers. Under the agreement, the already existing advisory relationship between the two postal services will be strengthened and an e-commerce platform set up to sell Italian-made products to the Russian market. Poste Italiane CEO Massimo Sarmi noted that the e-commerce portal offered an ideal opportunity for Italian SMEs to take advantage of the popularity of high-end Italian goods in Russia, especially in the fashion sector.



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

- This week, join Jessica Dauer Lowrance, Executive Vice President of the Association for Postal Commerce and Eric Sessler, General Manager of Eastern Marketing Services on a discussion of how his company uses mail and how postal rates impacts his business.
- The Association for Postal Commerce (PostCom) joined The Association of Magazine Media (MPA), The American Catalog Mailers Association, Inc., Direct Marketing Association, Inc., Alliance of Nonprofit Mailers, Association of Marketing Service Providers, Major Mailers Association, National Newspaper Association, Printing Industries of America, Quad/Graphics, Inc., R.R. Donnelley, Software & Information Industry Association/American Business Media, and Time, Inc. submitted comments this week on the Postal Service's September 26 request for above-CPI rate increases for rates on market-dominant products. These comments are supported by the attached statements of (1) Christian T. Lundblad, Edward M. O'Herron Distinguished Scholar and Professor of Finance at the Kenan-Flagler Business School of the University of North Carolina, and (2) Jon Swallen, Chief Research Officer of Kantar Media.
- The Association of Postal Commerce (PostCom) responded, this week, to the Postal Service's proposed rulemaking for new mailing standards for domestic mailing service products to be implemented along with the USPS' 2014 price change effective January 26, 2014, published in the Federal Register on October 25, 2013. As always, PostCom encouraged the Postal Service to work with the mailing industry to finely tune its mailing standards to help reduce costs throughout the mail value chain.



- The Postal Service published its unaudited September results with the Postal Regulatory Commission. USPS MADE \$128 million in September 2013. The Postal Service's controllable operating INCOME for the month was \$1.2 billion.
- The Postal Service published its unaudited October results with the Postal Regulatory Commission. USPS lost \$410 million in October 2013. The Postal Service's controllable operating INCOME for the month was \$289 million.
- The USPS at last week's Mailers Technical Advisory Committee (MTAC) meeting advised attendees that it has corrected Standard Mail price errors contained in both its annual CPI pricing change and its exigency price increase request. The errors in the original filings on September 26, 2013, related to the Standard Mail High Density Plus category for letters weighing between 3.3 and 3.5 ounces.
- UPS to raise rates for some ground, air services. FedEx to pay \$16.5M to settle suit. Postal IG calls for continuous monitoring to curb improper payments. MTAC presentations are available. Postcards vs the Future: 10 'endangered' travel items. A peek at Amazon's contract with the USPS. The Nation blames Republicans because it can't pay its postal bill. Consumer Postal Council releases new paper. USPS releases its 2014 Integrated Financial Plan. How Washington ruined Christmas.
- Announcement of postal related Federal Register Notices.
- An update from the USPS Office of Inspector General.
- Postal previews.

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*From the Federal Register:*


<b>Postal Regulatory Commission</b>	
<b>PROPOSED RULES</b>	
Periodic Reporting ,	
70904-70905 [2013-28485]	<a href="#">[TEXT]</a> <a href="#">[PDF]</a>
<b>NOTICES</b>	
New Postal Products ,	
70969-70970 [2013-28386]	<a href="#">[TEXT]</a> <a href="#">[PDF]</a>
70970-70971 [2013-28387]	<a href="#">[TEXT]</a> <a href="#">[PDF]</a>
70968-70969 [2013-28388]	<a href="#">[TEXT]</a> <a href="#">[PDF]</a>
70967-70968 [2013-28389]	<a href="#">[TEXT]</a> <a href="#">[PDF]</a>
<b>Postal Service</b>	
<b>NOTICES</b>	
Product Changes:	
Priority Mail Negotiated Service Agreements ,	
70971 [2013-28399]	<a href="#">[TEXT]</a> <a href="#">[PDF]</a>
70971 [2013-28401]	<a href="#">[TEXT]</a> <a href="#">[PDF]</a>
70971 [2013-28402]	<a href="#">[TEXT]</a> <a href="#">[PDF]</a>
70971 [2013-28403]	<a href="#">[TEXT]</a> <a href="#">[PDF]</a>

 [Direct Marketing News](#): The U.S. Postal Service's 2014 promotions calendar, officially announced this week, reprises popular programs with some new wrinkles aimed at increasing use of First Class, shipping, and digital technology. The biggest rate discount being offered, 15%, is for a spring promotion for First Class marketing pieces. *Branded Color-Mobile Technology/ February 1- March 31*: This is an upfront 2% postage discount on all pieces that incorporate creative elements such as color or branding in QR codes. "With our last QR code promotion, we kept hearing from mailers that QR codes are ugly and take up creative space, so we're challenging marketers to get creative within the code itself," Foti says. Qualifying mail must contain a code that leads to a mobile-optimized experience. Branded codes qualify with one color other than black, white, or gray; others require two. Registration: December 15, 2013-March 31. *[EdNote: Beware!! There's a patent troll out there who is claiming that ANYONE who uses ANY CODEi to extract information that can be used for business purposes violates its patent rights without first paying royalties for the "privilege." Why the Postal Service continues to promote the use of codes for these purposes without first indemnifying participants from patent threats or suits is beyond me. Just remember....You do so at your own risk.]*

 [Wall Street Journal](#): Newly listed Royal Mail PLC Wednesday reported a more than threefold rise in first-half fiscal 2014 pretax profit, but cautioned that it has seen some business customers reduce parcel volumes and switch to competitors due to the risk of industrial action. "Depending on the strength of the seasonal parcels volume growth in late November and December, this may result in Royal Mail reporting broadly unchanged parcel volumes but significant revenue growth for the nine months to December 2013," the firm said, in its first earnings statement since listing in October. Royal Mail was threatened with strike action over the Christmas period by postal workers, but this was averted late last month after unions agreed a deal with the company.

 [The Portugal News](#): The demand for shares in the Portuguese post office CTT – Correios de Portugal outstripped supply 6.5 times according to information supplied by CMVM, the stock market authorities, to state holding company Parpública.

*November 26, 2013*

 [Press Release](#): Today, a broad coalition of postal customers and suppliers (including the Association for Postal Commerce) asked the Postal Regulatory Commission (PRC) to reject a Postal Service proposal to raise most postage rates in January by three times the rate of inflation. The USPS claims that the rate hike is necessary to offset the continuing effects of the 2007-2009 recession. The industry filing shows, however, that the main reason for the Postal Service's recent losses is competition from the Internet, a long-term problem that does not entitle the USPS to an above-inflation rate increase. The industry's filing, supported by economic testimony from Christian Lundblad, Edward M. O'Herron Distinguished Scholar and Professor of Finance at the University of North Carolina's Kenan-Flagler Business School, shows that: (1) Informed observers—and even the Postal Service itself—have recognized that the vast majority of the decline in mail volume from 2007 to 2012 was the result of digital diversion to other means of communication; (2) The Postal Service's economic models assume that recessions get deeper and deeper forever, a nonsensical assumption; and (3) The USPS's model uses a heads-I-win, tails-you-lose approach; it disregards all of the positive effects of the post-2009 economic recovery on mail volume.



*At the Postal Regulatory Commission:*

- R2013-11 Initial Comments of MPA--The Association of Magazine Media, **Association for Postal Commerce** [and 11 other parties]  
<http://www.prc.gov/docs/88/88407/13-11-26%20MPA%20et%20al.%20comments.pdf>
- R2013-11 SIIA/ABM Initial Comments to PRC on Docket No. R2013-11  
<http://www.prc.gov/docs/88/88401/SIIA-ABM%20PRC%20Final.pdf>
- R2013-11 Initial Comments of Valassis Direct Mail, Inc.  
<http://www.prc.gov/docs/88/88400/VlasIntExgIntCmts2013.pdf>
- R2013-11 Comments of American Bankers Association  
<http://www.prc.gov/docs/88/88406/ABA%20Comments%20on%20PRC%20R2013-11.pdf>

- Comments of the National Postal Policy Council, the Major Mailers Association, and the National Association of Presort Mailers in Connection with the Attached Statement of Lawrence G. Buc  
<http://www.prc.gov/docs/88/88386/nppc-comments-Buc-Statement-attached.pdf>
- R2013-11 Initial Comments of United Parcel Service on Renewed Exigent Request of the United States Postal Service  
<http://www.prc.gov/docs/88/88384/R2013-11%20UPS%20Initial%20Comments.pdf>
- R2013-11 Comments of the National Postal Policy Council, the Major Mailers Association, the National Association of Presort Mailers, and the Association for Mail Electronic Enhancement in Opposition to Exigent Rate Increase  
<http://www.prc.gov/docs/88/88385/nppc-mma-napm-amee-comments-R2013-11.pdf>
- R2013-11 Comments in Opposition to USPS Renewed Request to Increase Postal Rates Due to Asserted Exigent Circumstances, Docket R2013-11  
<http://www.prc.gov/docs/88/88398/Comments%20by%20FSR%20and%20NAMIC%20%2011.26.13.pdf>
- R2013-11 Initial Comments of the Greeting Card Association  
[http://www.prc.gov/docs/88/88395/R2013-11\\_GCA\\_InitialComments.pdf](http://www.prc.gov/docs/88/88395/R2013-11_GCA_InitialComments.pdf)  
R2013-11 Public Representative Comments in Response to the Exigent Request of the United States Postal Service  
<http://www.prc.gov/docs/88/88396/PRComFinal.pdf>  
<http://www.prc.gov/docs/88/88396/PRCommentsFinal.docx>
- R2013-11 Initial Comments of Valpak Direct Marketing Systems, Inc., and Valpak Dealers? Association, Inc.  
<http://www.prc.gov/docs/88/88409/Valpak%20R2013-11%20Initial%20Comments.pdf>  
<http://www.prc.gov/docs/88/88409/Haldi%20Appendix.pdf>  
[http://www.prc.gov/docs/88/88409/2012\\_Dyn\\_1\\_Period\\_Contribution\\_Model.xls](http://www.prc.gov/docs/88/88409/2012_Dyn_1_Period_Contribution_Model.xls)
- R2013-11 NPPC et al.-LR-R2013-11/1 - Data Underlying Price Calculations Presented in the Statement of Lawrence G. Buc  
<http://www.prc.gov/docs/88/88417/NPPC-LR-R2013-11-LR-1.xlsx>




**United Parcel Service:** Regarding [PRC DOCKET NO. R2013-11](#) -- "UPS does not agree that the Postal Service's effort in this case to obtain \$1.78 billion in additional contribution from Market-Dominant mailers is "reasonable and equitable and necessary." See 39 U.S.C. § 3622(d)(1)(E). **The Postal Service cannot continue to rely on declining Market-Dominant Product volumes to bear the vast majority of institutional costs.** That is an unsustainable Postal Regulatory Commission Submitted 11/26/2013 12:24:18 PM Filing ID: 88384 Accepted 11/26/2013-2- business model which can only lead to continued postal deficits and more requests to exceed the rate cap, which in turn "could threaten the financial health and, possibly, even the survival of key [Market-Dominant] customer segments and industries."





The latest issue of the International Post Corporation publication [Market Flash is available online](#). In this issue: AMERICAS US Postal Service increases revenue but sustains a US\$5bn loss ■ UPS survey points to more customer-centric supply chains ■ FedEx spreads the word on support for exporters ■ ASIA PACIFIC TSB is first bank to use New Zealand Post's RealMe ID service ■ New DHL hub helps a customer expand in Japan ■ EUROPE Austrian Post increases revenue in first nine months ■ Georg Pölzl reappointed for a further three years ■ Deutsche Post DHL increases earnings in third quarter ■ Third-quarter revenue and profits rise at bpost ■ PostNord achieves net sales growth ■ City Link launches international tracked service ■ ByBox acquires DX Group's B2B locker network ■ La Poste expands internet access via tablets in rural post offices ■ Portugal launches sale of 70% stake in CTT ■ Polish Post orders Siemens sorters for next automation stage


In this E-Commerce Special WELCOME ■ EVENTS 5th Annual European E-Commerce Conference in Brussels ■ IPC Stanford Symposium ■ Best online retailers recognised with Canada Post E-commerce Innovation Awards ■ E-Commerce in focus at Post-Expo 2013 ■ TRENDS US e-Commerce exceeds US\$50bn in July to September ■ US purchases on smartphone and tablet up by 26% ■ Australia second largest cross-border e-Commerce market for Borderfree ■ Australia Post successful year thanks to growth in parcel business ■ German e-Commerce set to reach

€39.8bn this year ■ UK home-delivery parcel growth patterns set to change, says Hermes ■ Deutsche Post DHL to boost e-Commerce ■ October e-Commerce sales in the UK up 15% on last year ■ Differing views on same-day growth potential in the UK ■ NEWS Canada Post launched Delivered Tonight service pilot ■ eBay steps up local delivery strategy with Shutl acquisition ■ The USPS will provide Sunday deliveries for e-Commerce enabler Amazon ■ Video message delivered with a parcel ■ ASOS moves into China with Kerry Logistics ■ Austrian Post begins deployment of KePol LS self-service terminals ■ Iceland Post installs InPost lockers in Reykjavik ■ DPD launches same-day delivery in German cities ■ PostNord gains expanded e-Commerce logistics contract ■ Royal Mail offers free delivery alerts ■ Yodel signs up a new international delivery partner

 [Yahoo! Finance](#): If your elected officials wish you happy holidays this year, don't assume they mean it. It's shaping up as an unusually weak holiday shopping season, and this year's antics in Washington have a lot to do with it. Retail sales between Thanksgiving and Christmas are likely to rise only about 3% or so from last year's levels, according to forecasting firm IHS Global Insight. That would be the weakest growth since 2009, when the economy was barely out of recession. More than four years after the Great Recession officially ended, the private sector is doing its share to help the economy bounce back. Washington isn't. This crisis of confidence has been building for years, of course, but 2013 has highlighted Washington's ineptitude.

 [Wired Gov](#): The universal postal service is moving closer to long-term financial sustainability, following improvements in performance at Royal Mail, Ofcom has said. But Ofcom, which regulates the UK postal sector, has told Royal Mail it must improve important aspects of the service it provides to postal users after missing key performance targets. Ofcom's annual monitoring update on the UK postal sector1 covers the year to the end of March 2013, and examines aspects of Royal Mail's financial and operating performance, the effect of competition and the satisfaction of postal users.

 [WUSA9](#): The investigation into the murder of a mailman on his route is intensifying, and so has bitter criticism of the Postal Service management policies that have carriers routinely out on the street well after dark. Bewildered neighbors say night deliveries are obviously risky. Sad and bitter union representatives are saying the district manager in charge has blood on his hands.

 [Tech Radar](#): London's soon to be vacant Underground ticket offices could be used as Amazon parcel pick up points if talks between the retailer and TFL go to plan. London was awash with glee and gloom yesterday when it emerged that some tube lines will run 24-hours at weekends, but that every underground station ticket office would also close leading to lost jobs



[Office of the Inspector General](#):

- [Retail Facility Relocation Process](#). In an effort to tighten its operations and save money, the U.S. Postal Service is streamlining its network of about 31,272 retail facilities – including post offices, stations and branches that provide counter services, stamps, money orders, and post office boxes to customers. Has a retail facility relocated in your community? If so, we would like to hear about your experience. When the Postal Service relocates a retail facility, it must follow set procedures to ensure consumers affected by the change have notice and input....
- [Not All Flat Rates Are Equal, Even if They Look Like It](#). Imitation is the sincerest form of flattery, they say. Maybe so. It's just not usually FedEx that is doing the imitating or the flattering. But with its new "simple and predictable" flat rate shipping option, FedEx seems to be trying to look like the U.S. Postal Service in one particular way. The FedEx One Rate bears more than passing resemblance to the popular Priority Mail Flat Rate, suggesting FedEx is shifting strategy to become more aggressive in the light-weight retail package segment it once largely ceded to the Postal Service.



[From the Federal Register](#):

<b>Postal Regulatory Commission</b>
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<b>NOTICES</b>
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International Mail Contract ,	
70600-70601 [2013-28259]	<a href="#">[TEXT]</a> <a href="#">[PDF]</a>
70601-70602 [2013-28260]	<a href="#">[TEXT]</a> <a href="#">[PDF]</a>
<b>Postal Service</b>	
<b>NOTICES</b>	
Change in Rates and Classes of General Applicability for Competitive Products ,	
70634-70838 [2013-28152]	<a href="#">[TEXT]</a> <a href="#">[PDF]</a>

November 25, 2013



*At the Postal Regulatory Commission:*

- USPS Preliminary Financial Information (Unaudited), October, 2013  
[http://www.prc.gov/docs/88/88377/2013.11.25 October FY2014 Report to the PRC--attachment.pdf](http://www.prc.gov/docs/88/88377/2013.11.25%20October%20FY2014%20Report%20to%20the%20PRC--attachment.pdf)  
[http://www.prc.gov/docs/88/88377/Letter\\_PFI\\_Oct13\\_20131125151011.pdf](http://www.prc.gov/docs/88/88377/Letter_PFI_Oct13_20131125151011.pdf)
- National Trial Balance, October, 2013 (FY 2014); and Statement of Revenue and Expenses, October, 2013 (FY 2014)  
[http://www.prc.gov/docs/88/88379/Letter\\_NTB-SRE\\_Oct13\\_20131125150852.pdf](http://www.prc.gov/docs/88/88379/Letter_NTB-SRE_Oct13_20131125150852.pdf)  
[http://www.prc.gov/docs/88/88379/National Trial Balance - Redacted, October, 2013 \(FY 2014\).xls](http://www.prc.gov/docs/88/88379/National%20Trial%20Balance%20-%20Redacted,%20October,%202013%20(FY%202014).xls)  
[http://www.prc.gov/docs/88/88379/Statement%20of%20Revenue%20and%20Expenses%20-%20Redacted,%20October,%202013%20\(FY%202014\).xls](http://www.prc.gov/docs/88/88379/Statement%20of%20Revenue%20and%20Expenses%20-%20Redacted,%20October,%202013%20(FY%202014).xls)
- Integrated Financial Plan, Fiscal Year 2014  
[http://www.prc.gov/docs/88/88378/FY2014 Integrated Financial Plan \(Final\).pdf](http://www.prc.gov/docs/88/88378/FY2014%20Integrated%20Financial%20Plan%20(Final).pdf)  
[http://www.prc.gov/docs/88/88378/Letter\\_IntFinPlan\\_FY14\\_20131125150933.pdf](http://www.prc.gov/docs/88/88378/Letter_IntFinPlan_FY14_20131125150933.pdf)



Congratulations to PostCom board member (and now, Doctor) Joe Lubenow who has been awarded a Ph.D. from the University of Chicago. His thesis had to do with the "capabilities approach" to human rights. For many years, "the Doctor" served as the chairman of PostCom's Postal Operations Committee. He also served as the chairman of the Mailers Technical Advisory Committee. Joe has been very instrumental in the Universal Postal Union's efforts to get all developing countries to adopt a street-based mail addressing scheme.



**Global Address Data Association:** This month's newsletter is now available for download. The newsletter can also be downloaded from our home page [www.globaladdress.org](http://www.globaladdress.org)

**Consumer Postal Council:** "Universal Postal Service in Major Economies" -- "Faced with a changing global marketplace with new technologies and enhanced world-wide connectivity, postal operators are adapting their business models. Where this often uneven evolution has been successful, it is characterized by three primary strategies: 1) liberalization, 2) diversification of revenue sources and 3) rethinking universal service requirements. These three best practices have allowed the world's largest national posts to remain both relevant and fiscally solvent despite declining service demands and global economic recession. Declining mail volume, independent of economic growth, has driven changes in business models. One study noted a 5.6 percent annual decline globally in mail volume since 2009, although declines have been uneven across different markets. The United States Postal Service has observed a 38 percent reduction in single-piece first class mail, its highest-profit offering, over the past five years, forcing lawmakers and the Service's management to reconsider its business plans and look at universal service obligations from a different perspective. This report outlines major dynamics and strategies characterizing universal service across the world's largest postal markets, comprising 96 percent of global postal revenues, and 70 percent of domestic mail volume, with an emphasis on how they can be expected to impact consumers...."



*At the Postal Regulatory Commission:*

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Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2005	2.8%	2.9%	3.0%	3.1%	3.1%	3.0%	3.0%	3.1%	3.3%	3.4%	3.4%	3.4%
2006	3.5%	3.5%	3.5%	3.5%	3.7%	3.8%	3.9%	3.9%	3.7%	3.4%	3.3%	3.2%
2007	3.1%	3.0%	2.9%	2.8%	2.7%	2.6%	2.4%	2.3%	2.3%	2.5%	2.7%	2.9%
2008	3.0%	3.2%	3.3%	3.4%	3.5%	3.7%	4.0%	4.3%	4.4%	4.5%	4.2%	3.8%
2009	3.5%	3.2%	2.8%	2.4%	1.9%	1.4%	0.8%	0.2%	-0.324%	-0.634%	-0.570%	-0.35%
2010	-0.143%	0.013%	0.236%	0.482%	0.757%	0.968%	1.252%	1.477%	1.685%	1.799%	1.741%	1.64%
2011	1.559%	1.557%	1.589%	1.668%	1.799%	2.008%	2.208%	2.426%	2.653%	2.849%	3.036%	3.15%
2012	3.263%	3.326%	3.322%	3.248%	3.090%	2.930%	2.743%	2.570%	2.415%	2.303%	2.170%	2.06%
2013	1.960%	1.887%	1.789%	1.686%	1.657%	1.664%	1.710%	1.696%	1.628%	1.528%		

1/ Price cap for Docket No. R2008-1 Mail, Standard Mail, Periodicals, and Package Services;

2/ Price cap for Docket No. R2009-2 0.636 percent

3/ Price cap for Docket No. R2011-2

4/ Partial Year Price cap for Docket No. R2012-3 equals 2.133 percent

5/ Price cap for Docket No. R2013-1

6/ Special Services Partial Year Price cap for Docket No. R2013-7 equals 1.053 percent

7/ Price cap for Docket No. R2013-10 for First-Class

Partial Year price cap for Special Services equals

**Explanation of How "Change in CPI-U" is Calculated:**

The Commission determines the price cap for any 12-month period by calculating the ratio of two 12-month CPI-U averages that are 12 months apart, subtracting one, and expressing the value as a percentage. For a more detailed explanation of the calculation of the price cap please see 39 CFR §3010.21, or the Commission's Final Rules at <[http://www.prc.gov/prc\\_docs/home/PAEA/FinalRulesWeb.pdf](http://www.prc.gov/prc_docs/home/PAEA/FinalRulesWeb.pdf)>.





[The Association for Postal Commerce has filed with the U.S. Postal Service comments](#) on its proposed "New Mailing Standards for Domestic Mailing Service Products.


[FrontPageMag](#): The Nation magazine's continued existence is proof that capitalism works. Not because it's capitalist, but because it's a pathetic failure, meandering along year after year, mostly unread, constantly begging for money, always unable to pay its bills, despite its wealthy owners. But it's the fault of the Republicans. Postal rates go up because it costs money to deliver things, like dead tree print magazines full of crazy lies, that exist only for the social status of the granddaughter of the founders of MCA. If only it wasn't for the Republicans, I'm sure that the postal workers, like the Nation's interns, would be happy to work for free. But wait... in a stunning counterrevolutionary move, the interns also wanted to be paid.


[The Virginian-Pilot](#): The U.S. Postal Service specializes in delivering letters and packages where no else can, but the past few years have brought the beleaguered agency few reasons to celebrate that distinction. Instead, the spotlight has focused mostly on recent specialties of another sort: Its bread-and-butter revenue stream, first-class mail, has declined precipitously. Its labor agreements provide benefits that are more generous than those enjoyed by other federal workers and include provisions that preclude smarter, more efficient cost-cutting measures. For years, Congress has dithered on whether to let the postal service eliminate Saturday delivery of its shrinking first-class mail, or abandon more of the offices that carry high overhead in favor of kiosks and smaller spaces in big box stores.

Or release the postal service from the impossible financial mandate requiring the service to pre-fund decades' worth of retirees' health benefits.


 [24/7Wall Street](#): When the Post Office announced its last fiscal financials, operating revenue posted at \$66 billion compared to \$65.2 billion the previous year. First class revenue was worse—down from \$28.2 billion to \$28.1 billion, not much of a drop at all. However, almost any product can price itself out of the market, and for first class mail, that problem can and will accelerate. The Postal Office claims the primary challenge to its financial status involves pre-funding of retirement benefits. That is only partially the case. At some point, first class mail rates increase will make that part of the postal service's business more attractive to the private sector. The Post Office cannot afford that sort of competition.


 [Wall Street Journal](#): Amazon.com recently unveiled an agreement with the U.S. Postal Service to deliver packages in some markets on Sunday, the latest initiative by the e-commerce giant to be consumers' first and final shopping destination. Amazon will deliver packages from its warehouses to Postal Service sites late Saturday or Sunday, and, under the terms of the deal, the agency will truck them to consumers' doorsteps. Outside of some Sunday delivery during the Christmas holiday season, the deal marks the first broad Sunday delivery initiative for the Postal Service and could be a model for other retailers. Notably, the contract runs for five years, demonstrating a long-term commitment from Amazon for an initiative that may prove unpopular, logistically difficult or expensive. There is an escape clause, however: Either side can terminate the contract with a 30-day notice. In London, Amazon is using its own trucks to deliver on Sundays, perhaps a test of the two approaches.


 [Post & Parcel](#): "How can postal organisations survive in an age of decline in traditional mail services and an increase in parcel competition?"

 [EcommerceBytes](#): The USPS can raise the price of a stamp from 46 to 47 cents in January, but whether the agency can raise it to 49 cents has yet to be decided. On Thursday, the Postal Regulatory Committee (PRC) approved the Postal Service's September request to raise Market Dominant rates in accordance with the rate of inflation as measured by the Consumer Price Index, but with one caveat having to do with its requirements for improved mail tracking called Intelligent Mail barcode - more on that below. But the USPS had also submitted a renewed exigent request in September asking to raise rates higher than the Consumer Price Index due to the 2007 - 2009 recession, and PRC Chairman Ruth Goldway told EcommerceBytes to expect that ruling in about a month, calling the exigent request "complicated."

**November 24, 2013**

 [New York Times](#): As the holiday shopping season gets underway, same-day delivery has become a new battleground for e-commerce.


 [CNN](#): A telling sign of a much loved item's near obsolescence is when a campaign is launched to save it. Going by that standard, the postcard -- the object of a number of high-profile resuscitation attempts in recent years -- has been in the emergency ward for some time. One survey last year found that while 60% of people texted friends and family back home when on vacation, only 16% sent postcards. There's plenty of anecdotal evidence suggesting that postcards are out of favor. "The overall, overwhelming consensus is that postcard sales are down dramatically," Matthew Tobin, president of the U.S. Souvenir Wholesale Distributors Association and executive vice president of Arts & Cards, told the Providence Journal earlier this year. "It's probably half what it used to be." Postcards were born in the UK, in the Victorian era, and allowed vividly colored images to be sent and received for the first time. They've had a roller coaster ride since then, with 4.5 billion postcards delivered in the United States in 1951, falling to 1.8 billion in 1980, rising again to 3.3 billion in 1990 and plummeting again to 1.4 billion in 2010. The United States Postal Service forecasts around 1 billion single-piece cards will be sent in the U.S. in 2013. Those numbers include non-personal postcards, such as dentist appointment reminders and advertising fliers.


 [Leadership](#): The effectiveness of the new courier companies have discouraged many potential NIPOST customers from patronising them. This is because, as we are picking the mail, the same evening it is going to the airport, and by the morning of the following day, the mail will be in Lagos or wherever. NIPOST cannot meet up




with the speed. In NIPOST, if they pick mail today, it may reach three to four days before it is delivered. So, that is why people prefer using courier services to NIPOST.

*November 23, 2013*

 **Fierce Government:** The Postal Service is running out of stamps because of **a new asset management system that was not adequately tested prior to deployment**, a Nov. 8 [USPS inspector general report](#) says. The Solution for Enterprise Asset Management system – which process stamp requests from postal retail units – was not tested to account for a large number of users, the report (.pdf), and that problem was exacerbated because deployment occurred during the 2012 holiday season, prior to a rate change, and during a time when over 4,000 retiring postmasters were replaced. Because of this, the Postal Service couldn't accurately assess existing stamp stock inventory and increase that stock when it was needed. That put about \$120 million in stamp revenue at risk, the IG says. **Using the new system, postal retail units experienced delays of more than 14 days** for receipt of stamp orders between November 2012 and March 2013. The problems continued, with stamp distribution centers – where postal retail units go to replenish their stamp supply – running out of stamps six more times between March and June.

 **San Jose Mercury News:** This year, more consumers than ever before are expected to rely on their mobile gadgets as holiday shopping companions. There's even a name for it: "couch commerce." Consumers are turning to smartphones and tablets not only to make purchases, but also for coupons and promotions, to search for gifts and compare prices. Mobile spending is expected to approach \$10 billion during the last three months of this year.


 **Hurriyet Daily News:** The first Ottoman postal service was established in the sixteenth century for the government's use. Over the course of a three-hundred-year period it developed into a modern postal system under the influence of European-inspired systems. The earliest postal service in Turkey, that is, in the Ottoman Empire dates from the sixteenth century when Grand Vizier Çelebi Lutfi Pasa (g.v. 1539-1541) organized a relay service on behalf of the government. It was used to transmit the orders of the sultan and return information about what was happening elsewhere in the Empire. This system was not available to the general public who had to rely on caravans, travelers, pilgrims and not too reliable private messenger services. The foreign embassies of Russia, France, Italy, Britain and Austria also had their own postal services under the so-called capitulations which granted foreigners special privileges. Germany, Poland and Romania also maintained post offices.


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

can be found at the following locations:


All presentations made at the most recent Mailers' Technical Advisory Committee (MTAC) meeting have been posted to the RIBBS site and

- Focus Group Presentations: [https://ribbs/mtac/documents/tech\\_guides/2013/presentations/nov2013/](https://ribbs/mtac/documents/tech_guides/2013/presentations/nov2013/)
- Stakeholders' Presentations: [https://ribbs/mtac/documents/tech\\_guides/2013/presentations/leadershipforum/](https://ribbs/mtac/documents/tech_guides/2013/presentations/leadershipforum/)

 **Ch.Aviation:** FedEx Express has been exempted from paying taxes at the new cargo village to be constructed at Windsor, Canada. According to Canadian Aviation News, Windsor city council granted the exemption as part of plans to encourage new carriers to use the airport. The city's CAD2.5million contribution includes a 10-year tax exemption for FedEx which is due to begin operations in July 2015

 **Wall Street Journal:** FedEx Corp. on Friday agreed to pay \$16.5 million to settle a lawsuit alleging the package shipping company systematically overcharged its business customers by improperly assessing them residential surcharges. Under terms of the settlement, FedEx will pay \$16.5 million in cash to refund roughly 475,000 customers. The settlement will cost FedEx an additional \$5 million, which is the estimated cost for correcting allegedly inaccurate address databases and to modify policies that might lead to erroneous surcharges, according to the lawsuit.

*November 22, 2013*

 **FEDWeek:** The Postal Service uses several elements, such as scorecards and Sarbanes-Oxley Act controls, to identify, track, reduce, and recapture improper payments but management should consider using data mining to implement a continuous monitoring program over improper payments, the USPS inspector general has said. It said USPS management does not have a process established to fully monitor and pursue restitutions and recoveries of nearly \$9 million settled by federal courts. It called on management to use best practices, including data mining, to implement a continuous monitoring program over improper payments and implement a process to monitor and collect court-ordered payments.



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

- The Postal Regulatory Commission this week determined that the rates proposed by the Postal Service are consistent with the law, provided that the Postal Service does not implement the Full Service IMb requirements concurrently with the proposed increased rates. The Commission, in its press release, said that "[c]oncurrent implementation of the proposed rate adjustments and the Full Service IMb requirements would result in increases in First-Class Mail, Standard Mail, and Periodicals that exceed the statutory Consumer Price Index price cap, currently at 1.696 percent."
- Postmaster General Patrick Donahoe earlier this week told attendees of the USPS Leadership Forum for Stakeholders meeting that although the USPS' recent revenue trends are better than plan, it is "not time for popping champagne bottles," because there is "still a lot of work to be done." "We need to continue to move toward legislative change," Donahoe said.
- USPS Vice President of Mail Entry and Payment Technologies Pritha Mehra told mailers at this week's Mailers Technical Advisory Committee (MTAC) meetings that the USPS does not plan to take away automation prices for pieces that do not meet the IMb Full- Service requirements on its new electronic verification list – at least not in 2014.
- The Postal Service has submitted its final rule for its domestic competitive products pricing and mailing standards changes. This final rule will be effective on January 26, 2014. This final rule describes new prices and product features for competitive products, The details of the price change for each of the competitive products can be found in PostCom Bulletin 48-13.
- The USPS Office of Inspector General (OIG) on November 18, 2013, released its report, "Enhancing Mail for Digital Natives," (Report No. RARC-WP-14-001). The OIG commissioned focus groups composed of Digital Natives to understand their current uses and perceptions of physical mail. According to its report, Digital Natives still value hardcopy mail and the USPS, are very interested in receiving packages and parcels, show interest in enhanced technology mail, and have a lower tolerance for non-targeted advertising mail. The OIG also outlined opportunities for the USPS based on the study results.
- Postal reform encounters another major setback. PostCom supports USPS on Private Address Forwarding. Amazon Sunday packages won't stem postal losses. Harry Potter stamp riles USPS panel, traditional stamp collectors. Congress still hates the USPS. PRC opens docket on treatment of rate incentives and de minimis rate increases for cap purposes. Is the USPS ready to be sold off? UPS plans \$80M expansion at Memphis airport. APWU president says 'Don't Believe the Hype.' Senator Carper comments on 2013 annual report. US Court of Appeals denies the petition for review of Valassis NSA. Cintron appointed USPS VP of Product Information. USPS raises Standard Mail service performance goals for first time. USPS plans on hold for Phase II service standard changes. Looking for more news from MTAC?
- Announcement of postal related Federal Register Notices.
- An update from the Domestic Mail Manual.
- An update from the USPS Office of Inspector General.
- An update on postal happenings across the world.
- Postal previews.

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



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**Leader-Post:** Medical marijuana users Russell Barth and his wife, Christine Lowe, opened their mailbox Thursday morning and pulled out envelopes clearly marked as coming from Health Canada's Marihuana Medical Access Program - effectively locating a stash of dope for any would-be thief or giving nosy neighbours some private health information to gossip about. Barth, one of 40,000 Canadians to get similar letters, was furious that he'd been outed by the government. "It's deliberate," he said. "They want to hurt us." By late afternoon, Health Canada deputy minister George Da Post had apologized to all 40,000 recipients.

*From the Federal Register:*

Postal Regulatory Commission	
<b>NOTICES</b>	
Market Dominant Price Adjustment , 70080-70084 [2013-28000]	<a href="#">[TEXT]</a> <a href="#">[PDF]</a>
New Postal Product , 70084-70085 [2013-27999]	<a href="#">[TEXT]</a> <a href="#">[PDF]</a>

**BBC:** Ofcom has told Royal Mail it must improve "important aspects" of the service it provides to postal users after missing key performance targets. It said Royal Mail had missed its target of delivering 93% of first-class letters the day after they were posted, achieving only a 91.7% rate. The regulator said the company could be fined if it missed targets in future.

**Marketwatch:** United Parcel Services Inc. [will raise overall prices](#) across many ground service and air freight services an average of 4.9% next year, the latest shipping company to indicate an uptick in pricing. The higher rates come as UPS and rival FedEx Corp. FDX +0.12% are facing some challenges, in particular a shift toward lower-priced shipping services among international customers. UPS has sought across-the-board expense tightening and FedEx is revamping its express network, though both have said such moves aren't a restructuring. [UPS Rate Change Information](#)

**Canada Post Corporation:** Canada Post has reported a loss before tax of \$129 million for the third quarter as a 7.3-per-cent decline in Transaction Mail volumes outweighed solid growth in both revenue and volumes in its Parcels business. Transaction Mail, which is mostly letters, bills and statements, generates approximately 50 per cent of the Canada Post segment's revenue.

*At the Postal Regulatory Commission:*

- **R2013-10 PRC-LR-R2013-10/3** - Compliance Calculations for **Periodicals**  
<http://www.prc.gov/docs/88/88350/PRC-LR-R2013-10-3.zip>
- **R2013-10 PRC-LR-R2013-10/1** - Compliance Calculations for **First-Class Mail**  
<http://www.prc.gov/docs/88/88348/CAPCALC-FCM-R2013-10 IMb PRC.xls>  
<http://www.prc.gov/docs/88/88348/CAPCALC-FCM-R2013-10 PRC.xls>  
<http://www.prc.gov/docs/88/88348/FCM LR.docx>
- **R2013-10 PRC-LR-R2013-10/2** - Compliance Calculations for **Standard Mail**  
<http://www.prc.gov/docs/88/88349/PRC-LR-R2013-10-2.zip>
- **R2013-10 PRC-LR-R2013-10/6** - Compliance Calculations for **First-Class Mail International** (Redacted)  
[http://www.prc.gov/docs/88/88353/CAPCALC-FCMI-R2013-10NP1\\_PRC-FINAL \(Redacted\).xls](http://www.prc.gov/docs/88/88353/CAPCALC-FCMI-R2013-10NP1_PRC-FINAL (Redacted).xls)

[http://www.prc.gov/docs/88/88353/Inbound CAPCALC-FCMI-R2013-10NP1\\_PRC-FINAL \(Redacted\).xls](http://www.prc.gov/docs/88/88353/Inbound%20CAPCALC-FCMI-R2013-10NP1_PRC-FINAL%20(Redacted).xls)  
<http://www.prc.gov/docs/88/88353/PRC-R2013-10-LR6.doc>

- **R2013-10 PRC-LR-R2013-10/4** - Compliance Calculations for **Package Services**  
<http://www.prc.gov/docs/88/88351/PRC-LR-R2013-10-4.zip>
- **R2013-10 PRC-LR-R2013-10/5** - Compliance Calculations for **Special Services**  
<http://www.prc.gov/docs/88/88352/PRC-LR-R2013-10-5.docx>  
<http://www.prc.gov/docs/88/88352/PRC-LR-R2013-10-5.xlsx>

*November 21, 2013*



*At the Postal Regulatory Commission:*

"Today, the Postal Regulatory Commission issued its decision in [Order 1890](#) on the Postal Service's request to increase prices January 26, 2014. The Commission determined that the rates proposed by the Postal Service are consistent with the law, **provided that the Postal Service does not implement Full Service IMb requirements concurrently with the proposed increased rates.**

"Full Service IMb requires each piece of mail, each bundle, and each pallet to have a unique identity barcode. The Commission determined that Full Service IMb mail preparation requirements are a classification change and that its effects must be included in its calculation of the percentage change in rates.

"**Concurrent implementation of the proposed rate adjustments** and the Full Service IMb requirements would result in increases in First-Class Mail, Standard Mail, and Periodicals that **exceed the statutory Consumer Price Index price cap**, currently at 1.696 percent.

"The Commission's primary responsibility is to assure predictable and stable rates for mailers bound by the statutory price cap. While we encourage the Postal Service to expand its capacity to track and measure the performance of mail services, this cannot be accomplished in a manner that effectively raises rates by 4.1% and 4.9% for First Class and Standard Mail." said Chairman Ruth Y. Goldway.

"Additionally, the Commission found that **the Postal Service must resolve unequal commercial and nonprofit discounts for Standard Mail 5-digit automation flats. The proposed rates violate the requirement that disparities between commercial and nonprofit discounts must be justified by a statutory exception.**

"**The Postal Service may implement the proposed rate adjustments, minus the Full Service IMb requirements**, effective January 26, 2014. Alternatively, the Postal Service may adjust its proposed rates for First-Class Mail, Standard Mail, and Periodicals rates in a manner comparable to the implementation of Full Service IMb requirements in Package Services and file amended rates. The Postal Service shall notify the Commission of its intentions and provide necessary supporting documents by November 27, 2013.

"The Postal Service proposed that the price of Single-Piece First-Class Mail letters increase from 46 cents to 47 cents. The price of a postcard will remain at 33 cents."



*At the Postal Regulatory Commission:* From [the PRC order issued today](#):

1. The Commission finds the disparity between commercial and nonprofit workshare discounts for Standard Mail 5-digit automation flats proposed in the United States Postal Service Notice of Market Dominant Price Adjustment, filed September 26, 2013, unlawful as set forth in the body of this Order.

2. The Commission remands the commercial and nonprofit workshare discounts for Standard Mail 5-digit automation flats proposed in the United States Postal Service Notice of Market Dominant Price Adjustment, filed September 26, 2013, to the Postal Service to resolve the disparity between the nonprofit and commercial discounts for Standard Mail 5-digit automation flats.


3. The Commission finds that the planned price adjustments for First-Class Mail, Standard Mail, and Periodicals, as proposed in the United States Postal Service Notice of Market Dominant Price Adjustment, filed September 26, 2013, would violate 39 U.S.C. § 3622(d), because the simultaneous implementation of the Full Service IMb requirements, together with the planned price adjustments, would cause rates to increase by more than the maximum rate adjustment calculated in accordance with 39 C.F.R. § 3010.20.

4. If the Postal Service elects to not implement the Full Service IMb requirements in conjunction with the planned price adjustments identified in the United States Postal Service Notice of Market Dominant Price Adjustment, filed September 26, 2013, it may implement the price adjustments identified in the Notice, with the exception of the commercial and nonprofit discounts for Standard Mail 5-digit automation flats. Alternatively, the Postal Service may elect to adjust the billing determinants for First-Class Mail, Standard Mail, and Periodicals in the manner it Docket No. R2013-10 - 107 - used to reflect the implementation of Full Service IMb requirements in Package Services and file amended rates.


5. Not later than November 29, 2013, the Postal Service shall notify the Commission of its election and provide any supporting documentation necessary to comply with Ordering Paragraph Nos. 2 and 4. 6. In all other respects, the Commission provisionally finds that the Postal Service planned price adjustments identified in the United States Postal Service Notice of Market Dominant Price Adjustment, filed September 26, 2013, are consistent with 39 U.S.C. 3622(d), 3622(e), and 3626, and may be put into effect, as planned.

7. The Commission finds the classification changes described in the United States Postal Service Notice of Market Dominant Price Adjustment, Appendix A, filed September 26, 2013, are consistent with title 39, United States Code, and may be implemented with the changes to the proposed Mail Classification Schedule language described in the body of this Order. The appropriate language will be added to the Mail Classification Schedule.

8. Except to the extent granted or otherwise disposed of herein, all outstanding motions in this docket are denied.

 [Postalnews Blog](#): Robert Cintron, currently manager of Western Pennsylvania District, has been appointed the Postal Service's new Product Information VP, reporting to CIO Jim Cochrane. The appointment takes effect Dec. 14.




 [The Roanoke Times](#): The campaign mailers that stuff local mailboxes every year during election season may soon have to clear a new set of hurdles if political parties want to continue to receive special low postage rates. That's because an arrangement that General Assembly members and candidates in the region describe as standard seems to violate U.S. Postal Service requirements, said Katina Fields, a spokeswoman in the postal service's Washington headquarters.

 [DMM Advisory](#):

- **Shipping Services Price Change Federal Register Notices.** Yesterday and today the final rule Domestic and International competitive services (Shipping Services) price change Federal Register Notices for the January 2014 price change were posted on the [Federal Register web site](#). The effective date for both is January 26, 2014. The proposed pricing files are posted on Postal Explorer® at [pe.usps.com](http://pe.usps.com) under the January 2014 Price Change Information header in the left navigation bar.

- **Domestic Competitive Products Pricing and Mailing Standards Changes (Shipping Services)** — We provide revised mailing standards in the Domestic Mail Manual (DMM®) to reflect prices, product features, and classification changes to domestic competitive products (Shipping Services), including Express Mail®, Priority Mail®, First-Class Package Service™, Parcel Select®, Standard Post™, Extra Services, Return Services, Mailer Services, and Recipient Services. See the entire notice at <http://www.gpo.gov/fdsys/pkg/FR-2013-11-20/html/2013-27728.htm> and later today on Postal Explorer at <http://pe.usps.com/>.
- **International Product and Price Changes (Shipping Services)** — We provide revised mailing standards in the International Mail Manual (IMM®) to reflect prices, product features, and classification changes to international competitive services (Shipping Services), including 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 (M-bags), International Extra Services, and International Money Transfer Services. See the entire notice at <http://www.gpo.gov/fdsys/pkg/FR-2013-11-21/html/2013-27710.htm> and later today on Postal Explorer at [pe.usps.com](http://pe.usps.com/).


 **Washington Post:** *The following story shows that congressional idiocy isn't restricted to the topic of closing postal facilities that are no longer needed.* "The congressional dysfunction virus has hit the Pentagon, or at least the Air Force. Fanning noted another area where the virus struck: stopping the Air Force from closing air bases it no longer needs. The Base Realignment and Closure program is the process Congress established that must be followed before a base can be closed. Meanwhile, taking such a cost-cutting step is "fenced off," Fanning said. "It's kind of the one thing on the Hill that you can find unanimity — House, Senate, Democrat, Republican — it's no BRAC, no BRAC, no BRAC," he said with some irony. Fanning said. During the last BRAC round in 2005, the Air Force already had a 20 percent excess capacity "and we're smaller now than we were then, getting smaller even still," he said, noting further reduction plans of some 25,000 personnel and 550 aircraft. "You can't get rid of the base, but you don't have anything to put there [and] it's expensive to maintain," Fanning said.



**Office of the Inspector General:** New Audits Started --


- **Disposal and Preservation of Historic Properties.** The National Register of Historic Places is the official list of the nation's historic places worthy of preservation. As of December 2012, 998 postal buildings were on this list. Over 50 of these historic buildings have either been sold or are on the market to be sold.
- **Customer Defection and Retention.** The Postal Service has a significant customer base, ranging from individual residential customers to large, national companies that spend millions on mailing and shipping each month. It has been reported that the Postal Service lost nearly \$8 billion in revenue in fiscal year 2012 from existing customers and those who left the Postal Service altogether. Customers may have defected for a variety of reasons, such as price or customer service considerations or changes in their mailing or shipping needs.
- **Surface Visibility - Transportation Operations - Suncoast District.** The Office of Inspector General (OIG) is initiating a review of the U.S. Postal Service's Surface Visibility program at selected facilities in the Suncoast District to assess Surface Visibility system use in transportation operations. What has the Postal Service done well in managing the SV system in optimizing transportation? In what areas could they improve?
- **Consolidation of the Huntsville, AL Processing and Distribution Facility.** Following a study, the Postal Service is planning to consolidate mail processing operations from the Huntsville Processing and Distribution Facility to the Birmingham Processing and Distribution Center. The OIG will conduct an audit to determine if a business case exists for this consolidation. We will also assess compliance with established consolidation guidelines. Do you believe the consolidation will result in savings for the Postal Service? What are your thoughts on the consolidation and its impact on mail service?
- **Consolidation of the Toledo, OH Processing & Distribution Center.** Following an Area Mail Processing (AMP) study, the Postal Service plans to consolidate mail processing operations currently performed in the Toledo, OH Processing and Distribution Center (P&DC) into the Columbus, OH P&DC, the Detroit P&DC and the Michigan Metroplex P&DC. The OIG will conduct an audit to determine if a business case exists for this consolidation and we will assess compliance with established AMP guidelines.


- [Internal Controls and Transportation Associated with Des Moines Mail Transport Equipment Service Ctr.](#) Mail Transport Equipment (MTE) are containers, such as pallets, flat tubs, letter trays and mailbags, that hold mail during transportation. The U.S. Postal Service loans MTE to its customers for shipments through the Postal Service. The Mail Transport Equipment Service Center (MTEESC) network is a centrally managed system of 15 contractor-operated service centers designed to supply MTE to mail processing facilities and large external customers (mailers) nationwide. The MTEESC network delivers MTE to U.S.

 [Postal Technology International](#): Data collected by Lithuania Post has showed a sharp rise in the number of outgoing cross-border postal parcels sent between January and August this year. The data revealed cross-border parcels being transported abroad had increased by 46.4% if compared with the same period in 2012.

 *From the Federal Register:*


<b>Postal Regulatory Commission</b>	
<b>PROPOSED RULES</b>	
Periodic Reporting (Proposals Six Through Nine) , 69805–69806 [2013–27826]	<a href="#">[TEXT]</a> <a href="#">[PDF]</a>
<b>Postal Service</b>	
<b>RULES</b>	
International Product and Price Changes , 69755–69773 [2013–27710]	<a href="#">[TEXT]</a> <a href="#">[PDF]</a>

 [TulsaWorld](#): Perhaps everyone should send a get-well-soon card to the U.S. Postal Service, which lost \$5 billion in the past year despite posting an 8 percent gain in package delivery. Meanwhile, there is competition for parcel delivery from commercial enterprises such as UPS and FedEx. The postal service is being pulled apart by the forces competing to control it. In a time when its underlying business is shifting from beneath its feet, it cannot be all things to all people a low-cost, full-time delivery service that employs masses without the ability to restructure itself in response to a changing world. A healthy financial future for the service will require that the nation make the first delivery - a coherent, sustainable mission guided by market forces not politics.


 [TruckingInfo](#): The upcoming years will be tough for the transportation industry in the United States, FedEx Freight president and CEO William Logue said at the annual National Industrial Transportation League conference in Houston. Logue praised the advancements of the industry so far, but urged industry leaders to pay attention and address the barriers to further innovation. Citing the U.S. Federal Highway Administration's prediction that traffic volumes will double by 2040, he said the current infrastructure isn't adequate to handle the growth. In fact, the infrastructure struggles to meet even the current demands.


 *At the Postal Regulatory Commission:*


- **R2013-11 Public Hearing - USPS Witness Nickerson** November 20, 2013  
[http://www.prc.gov/prc-docs/home/whatsnew/Hearing\\_R-2013-11\\_11202013.mp3](http://www.prc.gov/prc-docs/home/whatsnew/Hearing_R-2013-11_11202013.mp3)
- **R2013-11 Public Hearing - USPS Witnesses Taufique and Thress**  
[http://www.prc.gov/prc-docs/home/whatsnew/Hearing\\_R-2013-11\\_11192013.mp3](http://www.prc.gov/prc-docs/home/whatsnew/Hearing_R-2013-11_11192013.mp3)

 [The Telegraph](#): At times in Wednesday's the Business Select Committee's hearing on the Royal Mail flotation resembled the children's party game, pass the parcel. MPs struggled to pin down why Royal Mail was sold for £3.3bn but is valued by the market at £5.5bn. The bankers said their 330p-a-share offer price was based on "fundamentals" and was in line with comparable delivery companies, such as Deutsche Poste. But from the moment


the panel of five bankers and one analyst said that their initial valuations ranged from £3bn to £8.5bn, it was clear that it wasn't a completely objective assessment.


 **Wall Street Journal:** - Eutelsat Communications, the French operator of a satellite Internet service provider, signed a distribution deal Wednesday with Poste Italiane SpA to allow thousands of Italian post offices in remote areas to offer affordable high-speed Internet connections. The agreement with Poste Italiane, reached at the summit, is all about distribution but that is a "landmark" for Eutelsat, as it allows contact with clients who won't be reached by fiber-optic networks for decades and don't generally know that satellite services are an option, said Jean François Fenech, who runs the company's Skylogic broadband service division out of Turin, Italy. Poste Italiane would act as a reseller of the service, which requires installation of a small dish at the user's home and a satellite modem connected to a computer. The deal offers Poste Italiane another way to leverage its network of 14,000 branches, which are already the backbone of BancoPosta, a profitable retail bank which the government is considering spinning off with an initial public offering.

 **Yahoo! Business:** Alexa Hirschfeld is a something of a tech-entrepreneur celebrity for having founded Paperless Post in 2007 with her brother James when she was just a year out of college and he was still matriculating. Now her company has evolved to serve customers who want something other than the virtual product it offers. In 2007, Hirschfeld says, "pretty much everything was going online, except there were some culturally important types of communication, like wedding invitations, that just hadn't." She discovered that her customers like paper for its archival quality, and the statement it makes. For holiday cards in particular, she says, 85 percent of people choose to mail paper. "The card can go onto the mantle, and that means something to them," she says. So, last year, Paperless Post started offering printed stationery.

 **Wall Street Journal:** The European Union's competition regulator said Wednesday it will take Germany to the EU's highest court as it has failed to recover state aid it channeled into Deutsche Post deemed illegal under EU law in 2012. The European Commission, the EU's executive arm, asked Germany to recover an unspecified amount of funds it had indirectly given to support the country's postal service. The financial aid was given to the company in the form of subsidies to pension costs, the commission said.

*November 20, 2013*

 **National Association of Major Mail Users:** If you were a customer of Canada Post who was charged shipping charges on a basis other than actual weight between January 1, 2000 and December 31, 2007, for parcels shipped within Canada, your rights could be affected by this class action settlement by the Superior Court of Justice for Ontario. On December 18, 2007, this action was certified as a class proceeding, with Lee Valley Tools Ltd. being appointed as the Representative Plaintiff for the Class. This action is seeing changes in certain of Canada Post's practices used to establish shipping charges to the Class with respect to the retention of overpayment made by the Class and the use by Canada Post of "Volumetric Weight" and repayment of certain shipping charges paid by the Class to Canada Post for parcels shipped by Class Members within Canada, for which Class Members were charged on a basis other than actual weight after January 1, 2000. The parties have reached a proposed settlement agreement whereby Canada Post has or will discontinue the practices that are the subject of the complaints. Canada Post has also agreed to pay the sum of \$5,050,000.00 for claims and make a contribution of \$1,300,000.00 towards the plaintiff's legal costs. In order to obtain payment of any amount that may be owing to you according to this settlement, you must apply by February 28, 2014. The application form and additional information about the claims process are available at: [www.parcelshippingcharges.ca](http://www.parcelshippingcharges.ca)

 **Post & Parcel:** Representatives from Argentina visited Brazil last week on a fact-finding mission looking at postal banking. Brazil Post said the neighbouring country was looking to set up a postal bank along the lines of its Banco Postal. The visit to the nation's capital Brasilia saw representatives of Argentina's national postal service finding out about the legal, financial and social functions of the Brazilian postal bank. Correo Argentino chief financial officer Leandro Caputo said his company was looking to deploy postal banking outlets in 15 cities next year using the Banco Postal model.





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

[New York Times](#): The chairman of the Federal Communications Commission said on Tuesday that the agency would begin "a diverse set of experiments" next year that would begin to move the nation's telephone system from its century-old network of circuits, switches and copper wires to one that transmits phone calls in a manner similar to that used for Internet data. The Internet-based systems allow more information to be transmitted at one time, making possible the addition of video to phone calls.

[Supply Chain Brain](#): Amazon's announcement of Sunday delivery effectively turned the traditional e-commerce world upside down. It truly is a game-changer, not only for online retailers but also for brick-and-mortar stores that are battling for their share of sales this holiday season.

[Save the Post Office](#): Is the Amazon deal really a win-win for everyone? Is it truly a good idea for the Postal Service to deliver packages for just one company to just one particular geographic segment of the country, and only to those affluent enough to be members of Amazon Prime? Even the business magazine Fortune was led to ask rhetorically if it wasn't a little "weird" and "unsettling" for a private corporation to be "hiring out a government agency as a contractor." The new contract between Amazon and the Postal Service perfectly illustrates the identity crisis faced by the Postal Service, and it may become the straw that breaks the philosophical camel's back. The time is coming when the country will have to decide: Do we want the postal system to be a public service or a private corporation? The Amazon deal in a nutshell. It's not just about delivering on Sunday. It's about delivering a privatized Postal Service.


[The Telegraph](#): UBS, one of the banks that ran the Royal Mail flotation, has told investors to **offload shares in the postal service** on the same day that advisers from the firm are due to appear before MPs investigating the share sale. Royal Mail has surged more than 60pc since the initial public offering last month, drawing criticism the flotation was underpriced. In a note to clients, analysts at UBS today recommended that investors "sell" Royal Mail shares because **the stock has a "high valuation" and is now "priced for perfection"**. They argued that **the market was too optimistic** about margin improvements at the postal service. "We expect further improvements, due to productivity and revenue growth. However, with Royal Mail's share price up 69pc since the IPO (versus 7pc to 32pc for peers), we believe **the market is over-estimating margin upside**. In particular, we believe **it will be difficult to accelerate its transformation, given the limitations of the labour agreement**. (See also the [Daily Mail](#) and [Reuters](#).) *[EdNote: No....Really?....Could'a never guessed.]*

[EU News](#): The European Commission has decided to refer Sweden to the Court of Justice over its application of VAT on postal services. Sweden applies VAT to some services that, under EU rules, should be exempt from VAT. The EU VAT Directive states that services supplied by 'public postal services', and the sale of stamps, should be exempt from VAT. The Court of Justice has clarified (Case C-357/07) that the VAT exemption on postal services has to be provided to any "universal service provider", irrespective of whether the provider is a public or private operator. However, it has to be limited to the 'universal service'. Supplies of services for which the terms have been individually negotiated are not allowed to benefit from the VAT exemption. Sweden does not exempt postal services from VAT. All operators, including the one which provides the universal service, are obliged to charge VAT. Sweden has consequently failed to apply an exemption provided for under EU legislation.


[Government Executive](#): Carper and Coburn will now work on a new bill, which they will offer in the form of a substitute amendment to the original bill, according to a committee aide. The chairman and ranking member will reschedule a markup after the Senate returns from the Thanksgiving recess. The aide said the amendment would address "concerns raised by members of the committee and stakeholder groups." One such member is Sen. Tammy Baldwin, D-Wis., who "does not support the bill in the current form and has several issues with it," according to a spokesman. Baldwin has introduced an amendment to eliminate a provision of the Carper-Coburn bill that would give the Postal Service more freedom in setting its prices. As currently written, the legislation would allow the existing inflation-based rate cap to expire in 2016 and eliminate the Postal Regulatory Commission's role in issuing advisory opinions on major changes to service standards. Baldwin, echoing concerns previously raised by the mailing industry, said USPS should not be given authority to raise its rates to unsustainable levels that would ultimately reduce business and mailing-sector jobs.


 [From the Federal Register:](#)


<b>Postal Regulatory Commission</b>	
<b>NOTICES</b>	
Change in Postal Rates , 69711–69713 [2013–27767]	<a href="#">[TEXT]</a> <a href="#">[PDF]</a>
<b>Postal Service</b>	
<b>RULES</b>	
Domestic Competitive Products Pricing and Mailing Standards Changes , 69553–69562 [2013–27728]	<a href="#">[TEXT]</a> <a href="#">[PDF]</a>


 [eCommerceBytes](#): FedEx has rolled out a new flat-rate shipping service that it is marketing to small businesses, including eBay sellers, who are hungry for more predictable rates. Dubbed One Rate, FedEx's new offering closely follows on the move by the U.S. Postal Service to overhaul its Priority Mail service, including rebranded packages and clearer delivery estimates.


*November 19, 2013*


 [Press Release](#): Bell and Howell, LLC, (the "company") a leading global provider of multi-channel communications solutions for print, web and mobile delivery, announced today that Ramesh Ratan will become the company's Chief Executive Officer on January 3, 2014. Mr. Ratan served most recently as President of Pitney Bowes Document Messaging Technologies and President of Pitney Bowes Marketing Services Solutions. He replaces Kamal Advani, interim CEO and Managing Director of Versa Capital Management, LLC, which is the controlling shareholder of Bell and Howell. Mr. Ratan served as EVP and Chief Operating Officer of the Direct Marketing Association.

 [Bloomberg](#): While the Amazon arrangement will offer a limited financial boost, Postmaster General Patrick Donahoe said in an interview that he wants to expand the service to other retailers. Amazon doesn't have an exclusive deal for Sunday delivery.


 [HumanIPO](#): The Postal Corporation of Kenya is to transact services electronically in a bid to boost its efficiency after the Miscellaneous Amendment Bill 2013 was tabled in Parliament. Mobile money and other electronic money services are set to be integrated into the corporation's services. Postal financial services and incidental services relating to the issuing, receiving and paying of mobile, e-money, mobile payments money remittance business, money and postal orders, postal drafts, postal cheques are some of the new services the firm will start to offer in order to competitively remain relevant.


 [Post & Parcel](#): The Universal Postal Union is setting up a new carbon offsetting programme for the world's posts. The programme will take the form of a fund to pay for environmental improvement projects to counter the impact of the mail and shipping activities of participating posts on climate change emissions. Unlike other carbon offsetting programmes in the industry, the UPU intends to use funds to support low-carbon postal projects in the developing world.


 [Mother Jones](#): The Postal Service inflamed the general public earlier this year when it tried to eliminate Saturday delivery, but now it's really playing with fire. Stamp collectors are up in arms over their latest venture, and you do not want to piss off stamp collectors.


 [The Washington Post](#): On Tuesday, the U.S. Postal Service is scheduled to release 20 postage stamps honoring Harry Potter, and officials at the cash-strapped agency hope the images, drawn straight from the Warner Bros. movies, will be the biggest blockbuster since the Elvis Presley stamp 20 years ago. But the selection of the British


boy wizard is creating a stir in the cloistered world of postage-stamp policy. The Postal Service has bypassed the panel charged with researching and recommending subjects for new stamps, and the members are rankled, not least of all because Potter is a foreigner, several members said. The dispute caps more than a year of friction between the Postal Service and the Citizens' Stamp Advisory Committee, named by the postmaster general to help make sure that the American experience is properly portrayed. The committee has grown increasingly disaffected over how the agency's marketing staff has pushed pop culture at the expense of images that could prove more enduring.

 [YLE](#): The Finnish Post and Logistics Union PAU has warned that if negotiations continue to prove fruitless spot strikes will begin at 4pm Tuesday afternoon in the Oulu region. The northern postal service has already been somewhat under the weather for the past few days, with limited services already affecting deliveries in the region.


 [eCommerceBytes](#): Small online merchants and marketplace sellers rely on the USPS for much of their shipping needs, including Priority Mail. The Postal Service filed its price changes for 2014 with the Postal Regulatory Commission (PRC) last week, which will review the prices before they become effective on Jan. 26, 2014, and all eyes are on the new shipping rates. Surprisingly, there is some good news in last week's announcement. While there is an overall 3 percent increase in Priority Mail Express (formerly called Express Mail), "There is no overall increase in domestic Priority Mail prices," according to USPS spokesperson Katina Fields - the key word being "overall" - there are some changes with which online merchants should become familiar.


 [Los Angeles Times](#): The bigger problem is the enduring hostility to the USPS shown by many conservatives in Congress. It's because of them that the USPS has maxed out its statutory borrowing authority and faces an annual payment of \$5.5 billion into a health fund for its future retirees. The service defaulted on that obligation last year and this year, but it shows up as a liability on its balance sheet and destroys its financial flexibility. Congressional conservatives in particular like to argue that the USPS should operate like a business -- if it can't make money delivering mail to the far-flung corners of the country, it should stop trying. This is the sort of idea that could only be hatched by smug, comfortable politicians and pundits with offices in downtown Washington, D.C., who couldn't find, say, Supai, Arizona, with a road map. Remote as it is, Supai is entitled to postal delivery at the same flat rate as you pay to deliver to Dupont Circle.

 [CanIndia](#): Rather than simply shrivel and fade away, Canada Post like U.S Postal Service is going in for an aggressive change in the way they do business and the services they offer. Canada Post will deliver parcels on weekends this holiday season. This weekend delivery plan for Toronto is only for the holidays and there aren't any plans to extend it into the new year. Deliveries are being scheduled for evenings when customers are most likely to be home.


 *At the Postal Regulatory Commission: [Docket No. RM2014-3](#): Treatment of Rate Incentives and De Minimis Rate Increases for Price Cap Purposes.* The purposes of this rulemaking are to clarify and standardize the Commission's previous treatment of rate reductions and rate incentives, to establish a type of de minimis rate adjustment that would allow the Postal Service to make extremely minor increases to rates without requiring the Postal Service to calculate the annual limitation or generate unused rate adjustment authority, and to improve other aspects of the process of adjusting rates for market dominant products.


**November 18, 2013**

 [Reuters](#): Portugal's government has set the price in the privatization of postal service CTT at a range of 4.10 euros per share to 5.52 euros per share, the government said on Monday. The price interval means that the government will raise between 430 million euros (\$581 million) and 580 million euros in the planned sale of 70 percent of the postal service, which will take place via a stock offering for retail and institutional investors. The privatization process launched in July is part of state asset sell-off demanded as a condition of the country's EU/IMF bailout agreed in mid-2011.

 [Reuters](#): The U.S. Postal Service is now in a fiscal death spiral as the communications and information revolution has eaten into many of its profitable services. The service's favored status is actually what makes it unsustainable. It has a monopoly over delivery of first- and third-class mail, and over physical mailboxes. It's mandated to provide


universal service and uniform prices. And it enjoys special powers and privileges — e.g., it is tax-exempt. But all that means it's overseen by a government-appointed regulatory board, which enforces strict regulations lest the USPS abuses its status. It doesn't have the flexibility of a private company. If the USPS wanted to go public, like the Royal Mail in Britain and the Deutsche Post in Germany, a lot has to change. To begin with, American policymakers would need to scrap the regulated government monopoly model and put the USPS on an equal footing with private companies. This could mean stripping it of many special powers and privileges. But the big question would be what to do with the universal service mandate as well as the monopoly. To dampen unfounded fears that rural or other costly delivery points might find their mail delivery cancelled, there will be political pressure to retain the mandate and monopoly at least during a transition period.


 [The Wichita Eagle](#): The U.S. Postal Service in Wichita is investigating attempted mail theft by an unusual method: glue traps.

 [Businessweek](#): Last year, as people started buying more things on the Internet, the agency's package volume rose by 210 million items—but the USPS's total mail volume fell by 1.4 billion pieces. First-class mail fell by 2.8 billion pieces. That's especially troubling because first-class mail is the Postal Service's most profitable product. The modest improvement in the agency's numbers may have more to do with cost cutting. The USPS has done a good job of controlling expenses, reducing the number of its career employees by 26 percent since 2008 through buyouts and attrition. Eventually, the agency's volume may flatten out. But that could take years. In the meantime, it will probably need to become even leaner to survive.



[Enhancing Mail for Digital Natives](#): So what does the generation born and raised in the age of the Internet think of something like regular mail? Do so-called Digital Natives, who have little experience with life pre-World Wide Web, have any interest in it? Did they ever? The questions raise critical implications for the future of the U.S. Postal Service, as mail volume has plummeted with the rise of digital communications and the postal reform debate continues....With Digital Natives now outnumbering Baby Boomers and their economic power growing, their wants and needs will increasingly demand attention from not just the Postal Service but the mailing/shipping industry at large. This paper details and examines those wants and needs – and how the Postal Service could best meet them now and in the future, when Digital Natives will soon dominate the market. *[EdNote: This is a good paper. It's well worth your time to read.]*

 [National Association of Major Mail Users](#): On January 21, 2014, Canada Post will upgrade the "Find a Postal Code" tool on its website ([canadapost.ca](http://canadapost.ca)) by leveraging its new AddressComplete™ technology. At the same time, it will disable all automated scripts being used by individuals and organizations to access our database, and it will decommission the "Find an Address" (Reverse Search) tool. AddressComplete is a predictive address finder that enables users to look up specific addresses – complete with suite, unit and apartment numbers – using our Point of Call database. With this upgrade, users will be able to look up addresses and postal codes faster and with more accuracy than ever before. As part of this change, it will limit the number of free look-ups a user can perform using the online tool to 50 per day. Users who need to look up a greater number of postal codes and addresses will have the option to pay for additional look-ups through the Canada Post online tool (payment by credit card or on account) or through AddressComplete. Canada Post reserves the right to adjust the daily limit for free look-ups in the future based on usage patterns.


 [Freight Industry Times](#): Rico Logistics has completed the transition of the DHL UK Same Day courier business. The desire for a seamless transition was achieved with both Rico and ex-DHL Same Day customers experiencing consistent services on Day 1, November 1st. Rico was developed 25 years ago and has since established itself as one of Europe's largest same day logistics and parts distribution operations operating in 10 European countries. Following recent investment by the TVS Group, Rico has been able to expedite its growth plans by putting in place the financial structure necessary to achieve this.





[PRC Docket No. MC2013-60 - Request To Add Private Address Forwarding To Themarket Dominant Product List](#). "The Association for Postal Commerce ("PostCom") hereby submits these comments on Petitioner Sai's request to add a Private Address Forwarding ("PAF") product to the Mail Classification Schedule ("MCS"). PostCom urges the Commission to reject the Petitioner's request."


# PostalVision 2020


[Postal Vision 2020](#): The "last mile" – the last stand of traditional postal services – is likely to change significantly. Imagine sitting outside on a sunny day and thinking about how a new pair of sunglasses would make this experience more enjoyable. Within a couple of hours, a drone would deliver this right to you, wherever you were. Several firms are testing some version of this kind of service. In Australia, Zookal has been set up to deliver textbooks and other material to students on a university campus. In South Africa, another firm used small drones to deliver refreshments to fans at a rugby match. There are undoubtedly other examples. Traditional delivery services are an area ripe for disruption.

 [The Nigerian Observer](#): The Senior Staff Association of Communications Transport and Corporations (SSACTAC) has said the National Assembly should be blamed for the delay in the nation's postal reforms.

 [Brainard Dispatch](#): The U.S. government has entered into a contract with a real estate firm to sell 56 buildings that currently house U.S. Post Offices. The government has decided it no longer needs these buildings, most of which are located on prime land in towns and cities across the country. The sale of these properties will fetch about \$19 billion. A regular real estate commission will be paid to the company that was given the exclusive listing for handling the sales. That company is CBRE Group and it belongs to a man named Richard Blum (Blum has an interest in the CBRE Group, which won a competitive contract to sell postal facilities. He is its board chairman and owns an investment firm that holds less than 5 percent of its stock.) Blum is the husband of Sen. Dianne Feinstein, D-Calif. Sen. Feinstein and her husband stand to make a fortune (estimated at between \$950 million and \$1.1 billion!) from these transactions. His company is the sole real estate on the sale. CRI will be making a minimum of 3 percent and as much as 6 percent commission on each sale.

 [3Percenter.org](#): As consumers increasingly move online to shop, retailers are finding that their shipping policies can be a bellwether of customer loyalty. Though not necessarily offering Sunday delivery, many are testing same-day service. Wal-Mart Stores Inc. is testing same-day delivery service in northern Virginia, Philadelphia, Minneapolis, Denver and the San Francisco and San Jose region. Last month, EBay Inc. agreed to acquire Shutl, a London start-up that uses a network of same-day couriers to deliver goods ordered online in hours, even minutes. In March, Google Inc. said it would test a same-day delivery service called Google Shopping Express for online purchases in the Bay Area. Specialty sporting goods store Sport Chalet Inc. began offering a similar service in April. But adding Sunday service takes the competition to a new level.

 [Going Postal](#): A new partnership between USPS and Staples Inc. offers a promising opportunity for the Postal Service to expand access to its services. A recently announced pilot program, the first such agreement under what USPS terms its Retail Partner Expansion Program, calls for the opening of 82 Contract Postal Units (CPUs) in Staples stores. If successful the program could be expanded to the remainder of Staples's 1,500+ domestic locations, and partnerships between USPS and other large retailers may soon follow. Contract Postal Units involve postal counters that are placed in, and operated by the employees of, other businesses. The operations offer most postal retail products, and do so at standard USPS prices.


 [Washington Post](#): The U.S. Postal Service is moving to Staples stores in what appears to be another move aimed at boosting business through partnerships with retail giants. The financially troubled USPS plans to open pilot contract units at various Staples locations throughout the nation, with the potential for expanding to some of the office-supply company's other domestic locations, according to recent agency news releases. The first centers opened earlier this month. The agreement with Staples is part of the USPS's "retail partner expansion program." The first openings will take place in just five regions: San Francisco, Atlanta, Pittsburgh, San Diego and Worcester, Mass., where the company is headquartered.


*November 17, 2013*



[Dead Tree Edition](#): I recall a magazine editor parading around the office in 2009 and announcing, "Print is dead." But 2013 is turning out to be the year that print media didn't die. It wasn't just downsizing that led to a successful year for the Postal Service. The volume of Standard mail – such as direct mail, catalogs, and promotional flyers – increased 1.8%. Don't get me wrong: Not all is well in the world of print media.

The Web is driving most daily newspapers to the point of extinction. With the continuing decline of profitable First Class mail and a Congress that can't pass any meaningful reform, the U.S. Postal Service is still on the ropes.

 [Seeking Alpha](#): This deal with AMZN adds to what is one of the few bright spots for the Postal Service. Four days after the AMZN announcement, the Postal Service reported its financial results for the 2013 fiscal year (ending in September). Package volume increased by 6% or 210 million pieces, delivering revenue growth of 8% or \$923M. Shipping and packaging services increased to \$12.5B and is now 19% of the Postal Service's revenue. Standard mail revenue only grew by 3%, and First Class Mail, the Postal Service's most profitable business, continues to shrink and is a large drag on financial results.

 [Times of Malta](#): The Malta Communications Authority is proposing to accept Maltapost's request to raise the cost of a stamp for domestic single piece letters weighing 50 to 100g from €0.32 to €0.42. The tariffs for domestic letters weighing less than 50g will not be changed. The rate of European outbound mail weighing less than 30g will be €0.59 – the weight for the lowest tariff has been raised from 20g to 30g, meaning that items falling in the 21g to 30g bracket will be €0.08 cheaper. The MCA had already said in 2012 that the tariffs that came into force in 2013 would not be enough for the medium to long-term sustainability of the universal postal services. It had therefore conditionally accepted Maltapost's requests for further changes in 2014 and 2015.


**November 16, 2013**




[Independent Report on Employee Benefits, Withholdings, Contributions, and Supplemental Semiannual Headcount Reporting Submitted to the Office of Personnel Management -- Main Report | Highlights](#)



[From the Federal Register: Postal Regulatory Commission NOTICES Meetings; Sunshine Act , 69141 \[2013-27610\] \[\\[TEXT\\]\]\(#\) \[\\[PDF\\]\]\(#\)](#)


 [24/7 Wall St.](#) : The USPS is claiming nearly \$1 billion in savings from lower work hours (12 million in total). The USPS is also signaling that it faces substantial deficit liabilities of \$61 billion, exceeding assets by approximately \$40 billion. After you see losses for seven straight years and declining business metrics annually, you know what question has to be asked. How has the USPS never gone bankrupt or been declared formally insolvent?


 [Memphis Business Journal](#): United Parcel Service Inc. has applied for tax incentives as it ramps up for an \$80.3 million expansion at Memphis International Airport that will add 15 jobs. The UPS expansion, which we wrote about back in September, will add 140,000 square feet and a 54,000-gallon natural gas fueling station to the already 293,345-square-foot facility at 3675 Swinnea Road, according to the Economic Development Growth Engine for Memphis & Shelby County. The average salary of the new jobs would be \$42,037




***The markup of S. 1486 that had been scheduled for November 20 before the Senate Committee on Homeland Security and Government Affairs has been postponed.***


**November 15, 2013**

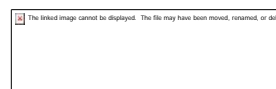
 [National Journal](#): The way mail gets delivered in the United States is in need of a serious shake-up. For years, as NJ's Marina Koren wrote earlier this week, the USPS has pleaded with Congress to act to help its budget by ending Saturday delivery, decreasing retiree benefits, raising the price of postage, or taking some other actions. There isn't much sign of that happening though, on account of this Congress still being this Congress—although today's loss numbers could help. In the meantime, the USPS is going rogue. Things are pretty dire for the USPS right now, but moving to a more package-centric system, with help from private companies, could be a way forward.


 [Slate](#): Flights of fancy aside, the USPS-Amazon deal is a powerful reminder that the conservative stereotype of the Postal Service as a prime example of public sector incompetence is simply wrong: The USPS does what it does—deliver stuff—perfectly well. On the other hand, liberals who imagine that the post office is just a tweak or two away from salvation are missing the point. The Postal Service is failing despite being good at what it does,

because its underlying financial model and mission are totally outdated. The institution could be saved in any number of ways, but all of them involve it fundamentally becoming something other than what it primarily is—an organization dedicated to delivering daily first-class mail.

 [Bloomberg Businessweek](#): Like a lot of people concerned about the fate of the U.S. Postal Service, Jeanette Dwyer is frustrated. The president of the National Rural Letter Carriers' Association insists the USPS is in better shape than people think and says the agency should be expanding service, not cutting it. That might sound a little pie-in-the-sky at a time when the postal service has been losing billions of dollars in part because fewer and fewer people are sending letters. But she sees a future in which package delivery overtakes first-class mail as the USPS's most important service—and where some of the biggest names in retail contract with the agency, taking advantage of its nationwide fleet and army of letter carriers to deliver products.

 [Hartford Business](#): The U.S. Postal Service is aggressively chasing the package delivery business. The Postal Service saw 8% growth in package delivery in 2013, said Joseph Corbett, chief financial officer, posting its best year since the beginning of the recession. Postmaster General Patrick Donahoe said at a meeting of the Postal Board on Friday he expects even more growth in package delivery during the upcoming holiday season.

 [American Postal Workers Union](#): "Headlines across the country are shouting that the USPS lost billions of dollars again this year, but that's a fallacy," APWU President Mark Dimondstein said after the USPS released financial information for fiscal year 2013. "If it weren't for the congressional mandate to pre-fund health benefits for future retirees, the USPS would have shown a surplus of \$600 million." No other government agency or private company is required to make such payments, which cost the agency approximately \$5.5 billion annually. "The USPS is suffering from a manufactured crisis," Dimondstein said. "But the fallout of the artificial crisis is real. Service has declined dramatically – mail takes days longer to arrive, carriers are delivering mail in the dark, lines at post offices are out the door – and good, union postal jobs are disappearing," he said. "The solution is clear: Congress must repeal the pre-funding mandate and allow the Postal Service to develop new services that will provide new revenue," the union president said. The recent USPS agreement to deliver Amazon's packages on Sundays is a good example, Dimondstein said, but the Postal Service must do more. "The USPS should offer basic banking service to the millions of Americans who want a non-profit alternative to the big banks or who don't have bank accounts at all," he said. "This would give the working poor an alternative to the legal loan-sharking they are now victimized by. It also would provide another source of revenue. The Postal Service also should offer notary services and licensing." There are many other examples, he said. "Unfortunately, there are some in Congress who want the Postal Service to fail. They are eager to privatize it," Dimondstein. But the American people don't agree. Dimondstein is calling for a "grand alliance" to save the USPS as a public postal service and to protect postal jobs.

 [Sen. Thomas Carper](#): Today, Homeland Security and Governmental Affairs Committee Chairman Tom Carper (D-Del.) released the following reaction to the announcement that the U.S. Postal Service lost over \$5 billion in the fiscal year, 2013:

"Today's announcement that the U.S. Postal Service lost over \$5 billion in the fiscal year 2013 is troubling and, unfortunately, not surprising," said Chairman Carper. "This is the seventh consecutive year that the Postal Service has reported a significant and unsustainable loss. The sad truth is that the Postal Service continues to hemorrhage money and these losses threaten the long-term viability of this critical institution. As I've said time and time again, the only solution to this mess is for Congress and the Administration to come together on legislation that provides comprehensive and long-term reform. We need to right-size and modernize the Postal Service so it can thrive into the future. I remain committed to working closely with Dr. Coburn, members of our Committee, stakeholders and the Administration to find a bipartisan solution that lasts. It is critical that we complete the difficult work ahead of us and find a solution to the Postal Service's serious but solvable financial crisis



*At the Postal Regulatory Commission:*

- **National Trial Balance, September 2013 (FY 2013)**; Statement of Revenue and Expenses, September, 2013 (FY 2013)  
[http://www.prc.gov/docs/88/88296/Statement of Revenue and Expenses - Redacted, September, 2013 \(FY 2013\).xls](http://www.prc.gov/docs/88/88296/Statement%20of%20Revenue%20and%20Expenses%20-%20Redacted,%20September,%202013%20(FY%202013).xls)  
[http://www.prc.gov/docs/88/88296/National%20Trial%20Balance%20-%20Redacted,%20September,%202013%20\(FY%202013\).xls](http://www.prc.gov/docs/88/88296/National%20Trial%20Balance%20-%20Redacted,%20September,%202013%20(FY%202013).xls)  
[http://www.prc.gov/docs/88/88296/NTB\\_SRE\\_20131115164949.pdf](http://www.prc.gov/docs/88/88296/NTB_SRE_20131115164949.pdf)
- **Annual Report, Form 10-K**  
<http://www.prc.gov/docs/88/88279/Transmittal%2010-K%2011-15-13.pdf>  
[http://www.prc.gov/docs/88/88279/2013\\_USPS\\_%20FORM\\_10K\\_FINAL.pdf](http://www.prc.gov/docs/88/88279/2013_USPS_%20FORM_10K_FINAL.pdf)
- **Current Report on Form 8-K** "containing the information prescribed in Form 8-K of the Securities and Exchange Commission." 39 U.S.C. ? 3654(a)(1)(C). <http://www.prc.gov/docs/88/88280/Form%208-K%2011-15-13%20.pdf>  
[http://www.prc.gov/docs/88/88280/Transmittal 8-K 11-15-13.pdf](http://www.prc.gov/docs/88/88280/Transmittal%208-K%2011-15-13.pdf)
- **CP2014-5 Order No. 1876** - Notice and Order Concerning Changes in Rates of General Applicability for Competitive Products  
<http://www.prc.gov/docs/88/88276/Order%20No.%201876.docx>  
<http://www.prc.gov/docs/88/88276/Order%20No.%201876.pdf>
- **RM2014-1 Order No. 1877** - Notice of Proposed Rulemaking on Analytical Principles Used in Periodic Reporting (Proposals Six Through Nine) <http://www.prc.gov/docs/88/88277/Order%20No.%201877.docx>  
[http://www.prc.gov/docs/88/88277/Order No. 1877.pdf](http://www.prc.gov/docs/88/88277/Order%20No.%201877.pdf)



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

- Postcom's Voice Of The Mail -- This week, join Jessica Dauer Lowrance, Executive Vice President of the Association for Postal Commerce and Ronnie Thompson, Manager of Corporate Accounts for World Marketing on a discussion of how his company uses mail and how postal rates impacts his business.
- The Postal Service filed with the Postal Regulatory Commission its 2014 Shipping Services prices, which will take effect on January 26, 2014. The overall price increase is 2.4 percent.
- The USPS Board of Governors met this week in open session. During that meeting, the Postal Service's Chief Financial Office, Joe Corbett, discussed the annual report for Fiscal Year (FY) 2013, as well as the FY2014 Integrated Financial Plan. The Postal Service lost \$5 billion for the year, with an operating loss of \$1 billion.
- The U.S. Postal Service ended the 2013 fiscal year (Oct. 1, 2012 – Sept. 30, 2013) with a net loss of \$5 billion. This marks the 7th consecutive year in which the Postal Service incurred a net loss, highlighting the need to continue to capitalize on growth opportunities, reduce costs, and enact comprehensive legislation to provide a long-term solution to the agency's financial challenges.
- Senator Carper comments on Amazon/USPS deal. The Postal Service's burden by Sen. Bernie Sanders. PRC adjusts schedule in CPI case. Comments due 11/25 to USPS on price change mailing standards. USPS goes digital with MailPro publication. New standards allow pallet stacking up to six tiers high. NALC's CCAs converted to full-time career status. Amazon offer Sunday deliveries with USPS. Delivering holiday cheer to service members. Pilot program puts Post Office retail counter in Staples stores. Amid capitol turmoil, USPS crisis drags on. eBay confuses and irks sellers with holiday shipping discount. Northrop Grumman facing whistleblower lawsuit over \$874M USPS contract. FedEx unveils Solution Powered by People campaign. Short holiday season challenges US stores. Pension terminations may spike in near-term. Mystery shrouds Postal Service deal with Amazon. USPS still losing money, but no movement on legislation. PostCom's newest member.
- Announcement of postal related Federal Register Notices.
- An update from the USPS Office of Inspector General.
- An update on postal happenings across the world.
- Postal previews



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[U.S. Court of Appeals for the District of Columbia](#) in the matter of the Newspaper Association of America v Postal Regulatory Commission regarding **the USPS' negotiated service agreement with Valassis**. "The Commission's order complies with the Postal Accountability and Enhancement Act and the Administrative Procedure Act. We have considered and rejected the other arguments made against the Commission's order. We therefore deny the petition for review."



Tweets from PostCom's Rockin' Robin regarding the USPS Board of Governors meeting.  
PostCom @PostCom2

- USPS CFO: USPS lost \$5B for FY13, with a \$1B operating loss. USPS saw an increase in revenue of \$800M from FY12. See [USPS press release](#).
- Mickey Barnett agrees to another term as Chairman of the USPS BOG. Jim Bilbray is elected as Vice Chair.

[CNN Money](#): Hundreds of thousands of retired union workers are facing pension cuts that could slash their monthly payments in half ? or even more. The proposed cuts are part of a desperate effort to head off insolvency at some of the nation's biggest pension plans. According to the Pension Benefit Guaranty Corporation, which insures pension plans, up to 10% of the roughly 1,500 multiemployer plans will run out of money in coming decades.

[Reuters](#): Deutsche Post , the world's No.1 postal and logistics company, has asked regulators to approve an increase in the price of stamps that would raise the cost of sending a standard letter in its home market to 0.60 euros (\$0.81) from 0.58. The move could raise the group's pretax profit by around 50 million euros a year, estimated DZ Bank analyst Dirk Schlamp. The group's Mail unit has been hit by a decline in letter volumes, advertising expenditures among mail-order customers and a fall in subscriptions for newspapers and magazines. Mail managed to eke out a 3.6 percent increase in revenue in the first nine months of the year, thanks to growth in e-commerce business and an increase in prices of some stamps from January.

[Austrian Independent](#): The Austrian post office wants to reduce the number of people having to come and pick up packages from post collection centres in the Austrian capital of Vienna. By the end of the year the postal service wants to double the number of parcel boxes in apartments blocks in the city meaning that less people will have to collect the packages from collection centres with the yellow letters left behind in the post box.



[Office of the Inspector General](#): New Audit Started: **Surface Visibility - Transportation Operations - Suncoast District** -- "The Office of Inspector General (OIG) is initiating a review of the U.S. Postal Service's Surface Visibility program at selected facilities in the Suncoast District to assess Surface Visibility system use in transportation operations. What has the Postal Service done well in managing the SV system in optimizing transportation? In what areas could they improve?"

[Washington Post](#): Congress is unlikely to pass legislation this year to help stanch the bleeding, marking the third straight year lawmakers have failed to agree on a way forward for the struggling mail service. A leading bipartisan Senate bill has hit a setback in the Homeland Security and Governmental Affairs Committee, which pushed back a scheduled a vote earlier this month amid concerns from Democrats over service cuts and rate increases the legislation allows. Even if the committee votes before the Thanksgiving recess, congressional aides acknowledge privately that the bill is unlikely to make it to the Senate floor this year. The long path to postal reform underscores the challenge of finding agreement on an issue that splinters lawmakers not just by party but by geography, by pro-

union and pro-business sympathies, by pro-government and anti-government philosophies. Senators from rural states are raising the loudest objections to service cuts. In the last year, for example, hundreds of mail-sorting hubs have closed. Sen. Jon Tester (D-Mont.) and several colleagues say the closures have slowed mail delivery in his state to five from three days. He wants guarantees that the slow-down won't be permitted. "I'm not going to support something that does as much bad stuff as this bill does," Tester said in an interview. "In the end, unless there's changes, I think the bill's in trouble."



[From the Federal Register: Postal Regulatory Commission NOTICES](#) First-Class Mail Postage Payment Option , 68868–68869 [2013–27282] [[TEXT](#)] [[PDF](#)]

[Free Malaysia Today](#): Pos Malaysia Bhd may venture into full-fledged postal banking services to diversify its revenue portfolio to stave off rising challenges from electronic communications that stifles traditional postal services.

[The Fiji Times](#): Heads of postal services from around the region came together in Suva on Wednesday for the first Pacific Postal Group seminar. Representatives from Vanuatu, Tonga, Samoa, the Cook Islands and Kiribati joined Post Fiji in discussing a new framework for the Pacific Postal Group to combat the challenges and the changes that the industry has been undergoing in the past decade. Deputy chairman of the Post Fiji board Niko Bulai said the industry was in a phase of "fast and significant transformation", particularly with the introduction of internet and email. "Increasing competition, new customer demands, technological change and internationalisation are the driving forces that create enormous challenges for this traditional service provider," Mr Bulai said. He said postal services were responsible for "effectively merging the possibilities of cyberspace with physical distribution capabilities" and reducing the digital divide. He added that countries in the region faced even greater challenges, being mainly small, scattered islands.

*November 14, 2013*





[No More Day of Rest for Postal Package Delivery](#). This week the Postal Service announced plans to move into one of the few remaining frontiers of package delivery – Sundays. Sunday delivery isn't exactly new. The Postal Service delivers 7 days a week using the premium Priority Mail Express product. So, what's really new is the low cost of the service – making it a solid option for consumers. Utilizing the Postal Service's ubiquitous delivery network Amazon.com is able to keep its costs down and, for example, give its Amazon Prime members who get unlimited, free two-day shipping the flexibility to get packages on Sundays. The Postal Service faces stiff competition as it seeks to grow its package business and take advantage of the explosion in e-commerce. But it has seen significant gains in its parcel sector through innovations such as flat rate Priority Mail packaging. With this latest move, the Postal Service is looking to strengthen its market position in business-to-consumer shipping and to further distinguish itself from its main competitors – FedEx and UPS.


[New York Times](#): *Letter from Sen. Bernie Sanders (I-VT)* -- "The financial problems of the Postal Service are not nearly as dire as the article claims when it says the Postal Service "lost nearly \$16 billion last year." During the first three quarters of this fiscal year, the Postal Service made a profit of some \$330 million picking up and delivering the mail to households and businesses throughout America. The reality is that 100 percent of the financial "loss" of the Postal Service this year is due to the onerous requirement that it prefund 75 years of future retiree health benefits in just 10 years. (As noted, it would otherwise be profitable.) No other public- or private-sector entity in America is burdened with such a requirement. This \$5.5 billion-a-year burden, mandated by Congress in 2006, has been responsible for about 80 percent of the financial difficulties of the Postal Service since 2007. If we are serious about protecting the Postal Service, an institution enshrined in our Constitution and relied upon by all Americans, it is imperative that we immediately terminate the prefunding requirement."

[eCommerceBytes](#): Like death and taxes, annual rate hikes from shipping carriers are a certainty - the only positive thing about them is that they occur after the holiday shopping season. This week, the other shoe dropped from the US Postal Service as it announced rate hikes for Priority Mail and other shipping services. In a press release, the USPS said when new Postal Service Shipping Services prices take effect in January, customers would see an overall price increase of 2.4 percent. The Postal Regulatory Commission (PRC) will review the prices before

they become effective on Jan. 26, 2014. On average, prices for Parcel Select, the Postal Service's bulk ground shipping product, will increase 5.9 percent. See the USPS press release at [http://about.usps.com/news/national-releases/2013/pr13\\_086.htm](http://about.usps.com/news/national-releases/2013/pr13_086.htm)


 **Washington Post:** Federal employees are increasingly satisfied with their telework options, despite growing discontent in nearly all other aspects of their jobs, according to the government's latest worker-viewpoints survey. Nearly 76 percent of respondents expressed positive views on programs allowing them to work remotely, representing the third consecutive year of improvement and a 6 percentage point increase since 2011, when the government first began tracking the practice.


 **Pension Funds Online:** The UK Government's plan to wipe Royal Mail's pension deficit clean by taking on its £8bn pension deficit could be in jeopardy, following a challenge from the European Commission. Pension Funds Insider understands that the commission is threatening to block half the bailout if it deems the move to be anti-competitive


 **International Business Times:** USPS currently delivers Priority Mail Express on Sundays, as well as holiday packages during the peak mailing season in December, in major metropolitan areas. USPS does not receive any tax dollars for operating expenses and relies on the sale of postage, products and services to fund its operations. Earlier this year, USPS unsuccessfully tried to end Saturday delivery, after losing \$16 billion last year. But its package delivery service has, on the whole, been profitable. The deal with Amazon will likely allow USPS to garner a larger chunk of the \$186 billion e-commerce market.



**Dead Tree Edition:** Is the U.S. Postal Service a business or a public service? Congress can't decide on the answer, and that indecision creates a fundamental problem for USPS, says noted postal commentator Leo Raymond. In the Postal Points newsletter for the Association of Marketing Service Providers, Raymond recently wrote about "an ongoing oxymoron that Congress, in its meddling ineptitude, continues to perpetuate: the Postal Service cannot be cast as a public service, with a 'universal service obligation,' while concurrently being told to be businesslike in its operations."

 **Forbes:** Lockheed Martin, the nation's biggest military contractor, has gradually consolidated its dominance in the government market for network defenses, and is moving to leverage its expertise in dealing with "advanced persistent threats" in the commercial world.

 **Wall Street Journal:** Amazon is in a race to embed itself into the fabric of world-wide commerce in a way that would make it indispensable to everyone's shopping habits—and to do so before its rivals wise up to its plans. The Sunday-shipping plan illustrates its M.O. The plan calls for spending every available resource to build a massively imposing shopping platform that rewrites the key feature of modern commerce, from servers to shipping to customer service to marketing. Amazon's deal with the U.S. Postal Service to ship items on Sundays is just a small piece of this plan, but it's a shining example of the grand strategy. The Postal Service deal also points out the canny way that Amazon is attempting to commodify the consumer shipping industry. By helping to prop up the struggling USPS, Amazon is preserving competition for FedEx Corp. and United Parcel Service Inc. if Sunday shipping proves popular enough for other retailers to adopt it, those private shipping giants might be forced to offer it, too. But that is just the first piece. Amazon's larger goal is to co-opt these shippers into its own shopping platform—to make Amazon, and not UPS or FedEx, the brand that businesses think of when they want to ship items to customers.

 **CNN Money:** Why does Amazon's (AMZN) new deal with the U.S. Postal Service to provide Sunday deliveries to Amazon Prime customers seem so unsettling? I can think of three reasons: the exclusivity (we'll get mail on Sundays, but only mail from Amazon); the dynamic of a private enterprise hiring out a government agency as a contractor; and the fact that, as the Wall Street Journal put it, the deal is a "marriage of one of the country's most successful enterprises with one of its most troubled." Amazon and the Postal Service are both mum on the deal's details, so it's difficult to answer many of the questions that it raises.

 **Government Executive:** For several years, the U.S. Postal Service, which was shedding billions of dollars a year - nearly \$16 billion in 2012 -- has pushed Congress for legislation that would cut costs and boost revenue. Postal

Service officials put a number of money-saving options on the table: raising the price of postage stamps, discontinuing mail delivery on Saturdays, even abandoning door-to-door service altogether in favor of central drop-off spots. They urged a change to the service's biggest financial burden, a 2006 law that requires the federal agency to prepay 75 years' worth of employee retirement benefits, about \$8 billion a year, payments the Postal Service defaulted on last month. Help could come only from Congress, which outlines what the Postal Service can and can't do. But as we learned this week, that's not the case. The Postal Service announced Monday that it began delivering Amazon.com packages to residential addresses in Los Angeles and the New York metropolitan area and would eventually expand the service to other cities. So the help the agency sought to pinch pennies and turn a profit didn't come from the Hill. It came from a private company with a growing knack for rescuing operations in precarious financial situations.




*At the Postal Regulatory Commission:*


- **CP2014-5 Notice of the United States Postal Service of Changes in Rates of General Applicability for Competitive Products** Established in Governors' Decision No. 13-2  
<http://www.prc.gov/docs/88/88270/Price%20Calc%20Files.Redacted.zip>  
<http://www.prc.gov/docs/88/88270/Notice CP2014-5 FINAL.pdf>


*November 13, 2013*



***The Senate Committee on Homeland Security and Government Affairs is scheduling its markup up of the Senate postal reform bill for November 20 at 10 a.m.***

 **Governing:** While the Postal Service remains a major employer across many states, its current workforce of about 600,000 employees nationwide is one that is slated to continue to shrink in the coming years. USPS announced Sunday it had reached an agreement with retail giant Amazon to launch Sunday delivery service in select areas, meaning they'll need to be staffed seven days a week. Although the arrangement provides a boost to the struggling agency, it appears unlikely that it will ramp up hiring anytime soon as it continues to post substantial losses.

 **CFO Journal:** More than 70% of companies that still offer a pension plan to new employees expect to do so five years from now, according to a new study released Tuesday. But among those that have already frozen their plans, nearly 40% expect to terminate them completely and settle all liabilities in that time frame. While the number of defined-benefit plans has been declining for many years, companies that still have them say that they are important for employee recruiting and retention. Among the roughly 30% of respondents that still have open pension plans, 73% said the plan was important to their ability to bring in new talent, and 87% said it was critical to their ability to retain workers.

 **CBS News:** Mystery surrounds the deal announced Monday between Amazon.com (AMZN) and the U.S. Postal Service to add Sunday package delivery, which is prompting some analysts to speculate on the profitability of the arrangement. "They negotiated this in complete secrecy, under a seal from the Postal Regulatory Commission," said Bill McAllister, a reporter who covers the U.S. Postal Service for trade publication Linn's Stamp News. Postal carriers will begin delivering Amazon packages this Sunday in the New York and Los Angeles metropolitan areas. The program is set to expand to "a large portion of the U.S. population" in 2014, according to a statement from Amazon. Neither party would disclose details of the financial arrangement, leaving insiders like McAllister wondering, "Can one company generate enough revenue to justify this venture? It's obvious that the postal service thinks it can. I just didn't see that much business."



*At the Postal Regulatory Commission: **Postal Regulatory Commission RULES Price Cap Rules for Certain Postal Rate Adjustments; Correction**, 67951–67952 [2013–27159] [\[TEXT\]](#) [\[PDF\]](#)*



**Mailing Industry Stakeholders:** The USPS Leadership Forum for Stakeholders agenda is now available on

the [Industry Outreach webpage](#) on RIBBS. If you plan to attend but have not yet replied to the invitation, we are extending the deadline to Wednesday, November 13. Please RSVP following the instructions below. (1) Send a message to [IndustryFeedback@usps.gov](mailto:IndustryFeedback@usps.gov) with "November Forum" in the subject line; (2) Provide your name, and identify your company, agency or MTAC member association; (3) Indicate which event(s) you will attend on November 19: Leadership Forum, Stakeholder Reception or both. We look forward to seeing you at the USPS Leadership Forum for Stakeholders on Tuesday, November 19 from 1:00 p.m. to 4:30 p.m. and at the Stakeholder Reception immediately following the Leadership Forum from 4:30 p.m. to 6:30 p.m.

**November 12, 2013**



**PostCom welcomes its newest member: [Rodale](#) 400 S. 10th Street Emmaus, PA 18098-0099**  
Represented by: **John Horner** Product Administration & Postal Affairs Manager

[The Atlantic](#): With the help of an extremely 21st century company, the Postal Service is going back—in a small way—to its 17th-century roots. When the U.S. Postal Service teams up with Amazon to offer Sunday mail delivery, the move will mark the first Sunday mail delivery the U.S. has seen, with a few exceptions, for a century. Toward the end of the 19th century, religious leaders would join with organized labor to end Sunday mail delivery. By the early 20th century, new technologies—the telegraph, the telephone, the train—had reduced people's urgent reliance on the Postal Service. They could then, better than they could have before, do without Sunday deliveries. In 1912, without any debate on the matter, Congress added a rider to a funding bill. It ordered that "hereafter post offices ... shall not be opened on Sundays for the purpose of delivering mail to the public." On August 24, Taft signed the bill into law. On September 1, it was enacted.

[MobileMarketingProfits](#): Earlier this week I sent out an email announcing that one in four mobile phone users will redeem a mobile coupon in 2014. Today I discovered eMarketer has revised that prediction. Now they say that one in three smartphone users will use a mobile coupon this year.

[The Conversation](#): The first privatised national postal operator in the world – and the only fully privatised one – is the Dutch postal service, whose transition to a private entity is a complicated story. But despite its early mover advantage, the postal business was not a success for TNT. Its shareholders first decided to sell the parcels unit, then split the remaining company into TNT (international express) and NLPost (national mail service) in 2011. This extended privatising process has been a disaster. The Dutch have been forced to accept numerous concessions in the provision of postal outlets, frequency of delivery and more besides in order to have a national postal service at all. By comparison, the privatisation of the German service has been far more successful. Yet the successful partial privatisation of Deutsche Post/DHL cannot be replicated, neither by Royal Mail nor by anyone else – and few countries have even tried in earnest. Japan Post, despite numerous announcements, has yet to sell a single share after years of political squabbling; Singapore Post, the "fully privatised" postal operator, remains owned by the government's sovereign fund. In fact, beyond Germany, there are only two real examples of partial privatisation: Austria Post and Belgian Post (called bPost). However, both are still majority owned by their respective governments, which remain wary of letting fully privatised operators run their services.

[gHacks.net](#): *Deliveries* is probably the best Android application right now for tracking postal packages. The core reasons for this are that it is dead easy to use, and that it supports a huge number of delivery services. To name a few: Amazon, FedEx, GLS, Hermes, UPS, TNT, Royal Mail, Post in more than a dozen countries, DPD and DHL. The official store page on Google Play lists dozens of services. And if that would not be enough, it also supports easier tracking for services that it does not support, as it enables you to get access to the information directly from the app for many more services.


**PostalVision** The logo for PostalVision 2020, featuring the word "PostalVision" in a bold, sans-serif font, followed by "2020" in a larger, stylized font with blue circles around the zeros.


*If you haven't visited the [PostalVision2020.com](http://PostalVision2020.com) web site recently, you should. A great deal has been done to publish fresh information and perspectives. It's really worth a look.*





**Attention Postal One! Users: PostOne!® Release 36.1.0:** The release will include


infrastructure/database maintenance and will be deployed during the scheduled maintenance window of 4:00AM CT to 8:00AM CT on Sunday, November 17, 2013. The infrastructure/database maintenance which **will result in a four-hour outage from 4AM to 8AM CT on Sunday, November 17, 2013**. During this outage, PostalOne! will be unavailable including Mail.xml®, FAST® Web Services, and eDOC Services.


 [Digital Trends](#): Hey, it looks like there's life in the ol' QR code yet! In Australia, at least. The nation's postal service has become the first to launch what it's calling a Video Stamp, allowing anyone sending a package or letter to include a short video message by way of a QR code stuck on the front. The service is free and, of course, can be used for international mail, too. It's currently available via its Express Post and Express Courier International products. All you do is purchase a video stamp – which costs the same as regular postage – scan it, post the package or letter, and then record your personal message within 12 hours of sending. When the mail arrives at its destination, the recipient simply has to scan the QR code and (hopefully) enjoy the message. If they don't have a mobile device with a camera to scan the code, they can enter a unique number code on Australia Post's website instead – so hopefully they will have an Internet-connected computer.

 [Bloomberg](#): Deutsche Post AG's third-quarter profit rose as Europe's largest postal company focused on expanding its express-package and cargo businesses. [The Financial Times](#) has reported that "Deutsche Post joined the ranks of European companies warning that the strong euro was taking its toll on earnings, as income for the third quarter missed expectations. The German mail and logistics group said that revenue between July and September fell 2.5 per cent to just under €13.5bn, driven largely by currency effects.

 [Wired](#): Amazon's drive for global domination took on a new dimension this morning, when it was revealed that the world's largest online retailer now owns a day of the week. For Amazon, Sunday delivery must feel long past due. Delivering products is Amazon's core business. Imagine Google not being able to offer search on Sunday, or Apple closing the App Store one day a week, or Walmart closing all its stores. How maddening it must be for a company bent on giving people what they want when they want it to not to be able to follow through a full one-seventh of the year. Sunday delivery would seem to be another way for the Postal Service to seek out competitive niches, though there's nothing to indicate other carriers couldn't start offering the same thing. The weirder aspect is the way a single for-profit company seems to have deputized a government agency to serve its particular private interest.


 [Toronto Star](#): As postal services around the world struggle to remain relevant, the U.S. Postal Service has teamed up with Amazon for Sunday delivery, just as Canada Post prepares to once again deliver parcels on weekends this holiday season. Canada Post is continually trying to "better understand and adapt to the changing needs of the marketplace." Canada Post will want to maximize the infrastructure they have now, which is why it's unlikely that rural areas will see weekend delivery any time soon due to less demand. The number of "urban markets" that will have weekend delivery this holiday season will depend on the volume of parcels.


 [Esquire](#): No, Amazon.com did not save The Post Office today. Yes, it's a great thing that the United States Postal Service will deliver your \$700 portable tiki hut on a Sunday from now on, as it was reported this morning. No, that doesn't have any bearing on the very existence of the Postal Service. The Postal Service was not in its death throes until Amazon Prime came in like a white knight, delivering you your Wolf Urine on Super Bowl Sunday. USPS loses money because Congress forces it to do so. It's becoming more efficient by the fiscal quarter. Since 1971, it has not cost you a penny in taxes. The mail, as we know it, is a steal beyond your wildest dreams. Amazon is only in existence because of the Postal Service, not the other way around.


 [Sen. Thomas Carper](#): "This announcement by the U.S. Postal Service is a clear example of the innovative solutions that the agency needs to adopt in order to survive and thrive in the 21st century. Partnering with Amazon for Sunday package delivery offers a great deal of promise. It will allow both Amazon and the Postal Service to better serve their customers and has the potential to boost the ailing Postal Service's bottom line. It might also encourage other companies to pursue similar agreements with the Postal Service, creating even more opportunities for growth. I look forward to learning more about this new agreement and how it will impact the Postal Service's ongoing challenge to cut costs while increasing revenue. Ultimately, Congress must give the Postal Service the tools, resources, and flexibility it needs so it can right its financial ship and continue to implement forward-thinking ideas like this one. That's why I continue to work with Dr. Coburn and our colleagues on our


bipartisan postal reform bill that will make the necessary changes to ensure the Postal Service is competitive in an era of digital communication and can continue to serve the American public for years to come."

*November 11, 2013*


 [Washington Post](#): By launching Sunday deliveries, the Postal Service has moved to where its longtime competitors aren't. Hardly anybody in any industry delivers on Sunday, with the exception of newspapers. As a business idea, this makes total sense — and while USPS doesn't exactly threaten FedEx or UPS, it might cause those companies to strike agreements with other e-commerce businesses. The deal will effectively shake up the shipping industry. The other reason it's disruptive? This is one of the few cases we've seen of what we'll call reverse contracting — when the private sector hires a government agency to fill its need rather than the other way around. We haven't seen much of this, in part because there are so few publicly run, consumer-facing services like USPS at the federal level.


 [The Street](#): What if Amazon.Com were to just, you know, buy the U.S. Postal Service? Its latest 10-K report the postal service reported revenue of \$65 billion. Its mail volumes have been declining, from more than 210 million pieces in 2007 to last year's 160 million, and revenue has also been falling. From more than \$75 billion to last year's figure. The Postal Service may not be worth 80% of revenue, or \$52 billion, but maybe with its valuable real estate such a deal could be done.

 [DC Velocity](#): On the seventh day, the U.S. Postal Service (USPS) delivered. And it may be interested in doing a lot more of it. Sue Brennan, the USPS spokeswoman, said if other merchants are interested in Sunday deliveries, "we'd be happy to talk to them." The new Amazon relationship is a contractual agreement, however, and does not signal the launch of a concerted marketing campaign, she said. USPS already moves parcels for Amazon under its traditional arrangement. The Sunday service with Amazon does not call for USPS pick-ups, nor does it involve the USPS' infrastructure beyond what's required to deliver from post office to destination. USPS historically delivers packages on the two or three Sundays leading up to Christmas in major metro areas, Brennan said.


 [Press Release](#): The Board of Governors of the U.S. Postal Service will meet Nov. 15 in open session at Postal Service headquarters, 475 L'Enfant Plaza, SW, Washington, DC. The public is welcome to observe the meeting beginning at 8 a.m. in the Ben Franklin Room on the 11th floor. Open session meetings of the Board of Governors are available on live audio webcasts at <http://about.usps.com/news/electronic-press-kits/bog/welcome.htm>. Three hours after the conclusion of the open session meeting, a recorded audio file will be available for listening. In compliance with Section 508 of the Rehabilitation Act, the audio webcast will be open-captioned.

**CFO Briefing** - Following the Board's open meeting on Nov. 15, Postmaster General & CEO Patrick Donahoe and Chief Financial Officer Joe Corbett will host a telephone/web conference call to discuss the financial results in more detail. The call will begin at 1 p.m. ET and is open to the news media and all other interested parties.

 [The Drum](#): FedEx Express has today announced the launch of a new series of adverts in its FedEx. Solutions Powered by People campaign. The evolution of its multimarket marketing and advertising campaign looks to demonstrate how the local knowledge and expertise of FedEx team members create opportunities for both big and small businesses.


 [China Post](#): U.S. retailers have little room for error in the fast-approaching and shortened holiday shopping season, a period that typically generates 30 percent of annual sales. A late Thanksgiving — the unofficial kickoff for holiday sales — has lopped six days off the gift-buying season. The battle for retail dollars is so fierce that even Uncle Sam will be delivering on Sundays in some locations this holiday season. Amazon.com Inc announced on Monday that it would be the first retailer to partner with the U.S. Postal Service to offer Sunday delivery beginning November 17 in the New York and Los Angeles areas as it looks to give shoppers more shipping options. In 2014, Amazon plans to expand the service, that will continue past the holidays, to other locations including Dallas, Houston and Phoenix. In other responses to the shortest holiday shopping season in a decade, retailers have tested


their websites more, started sales a month early and hired extra trucks and planes to make last-minute deliveries if bad weather shuts down malls.

 [San Francisco Business Times](#): That's a lot of money, and the Seattle giant plans to spend some of it paying the money-losing U.S. Postal Service to deliver packages on Sundays. The Postal Service sure needs the help -- it lost \$15.9 billion in the year ended September 2012 and has been selling some of its property trying to raise more money. It won't report its financial results for the year just ended until Friday, but you can be sure there will be more red ink. The USPS has already been losing money this year, too, which has increased political pressure for reform of its situation. But while waiting for the government to act, the Postal Service has gotten a little bit of good news from the private sector. Amazon didn't say how much it will pay for mail carriers to deliver packages on Sundays, but any revenue is good revenue for the USPS, which has even been trying to eliminate its normal Saturday delivery to save money.




*Blog: [The Innovation Unit Dilemma](#).* Innovation is a hallmark of the digital revolution yet for many companies innovation remains hard. The popular book *The Innovator's Dilemma* notes that companies often either ignore a disruptive technology or if they recognize it, they try to manage it like their traditional business. The book says companies need to recognize the disruptive technology and then set up a separate unit to manage it. The U.S. Postal Service finds itself struggling to innovate in a rapidly changing communications market. Yet, stakeholders agree that innovation is necessary to transform the Postal Service into a 21st century provider. The Postal Service has indicated a willingness to try new things, as allowed under the current law, but the time it takes new ideas to become a product or service is often too long in this fast-changing market. Some stakeholders have suggested the creation of a small, dedicated innovation unit that would have the authority to make partnership decisions and the flexibility to bring innovative products and services to market quickly. The major postal reform legislation now before Congress includes a provision that could essentially lay the groundwork for such a unit. The Postal Service actually tried small, cross-functional business units in the late 1990s. It had an international business unit that was given considerable autonomy and an Expedited Package Services (EPS) group located completely outside of headquarters in Atlanta. The EPS group was given freedom to pursue new partnerships and parcel services. Insiders might argue over how much of the credit EPS deserves, but in its short life, a number of package services were revamped or unveiled, including Parcel Select, Carrier Pickup of residential packages, and the groundbreaking contract with FedEx to provide airlift for Priority Mail. These separate units probably had some flops too, but innovation means taking risks and being allowed to fail occasionally. Do you think a small, agile, cross-functional "innovation unit," led by a chief innovation officer, would help the Postal Service launch new products and services? Or does a dedicated innovation czar create a bottleneck that is inconsistent with the spirit of having innovative thinking permeate the entire organization? Would an "incubator" or "innovation lab" approach be better? What institutional changes might be needed to promote innovation? Does the current regulatory environment allow the Postal Service enough latitude to innovate effectively?


 [CNBC](#): [Amazon](#) customers in New York and Los Angeles will be the able to have their packages delivered on a Sunday, the online retailer announced. Amazon prime customers - who pay a \$79 annual charge - will now be able eligible for free two-day shipping on millions of items, and can receive their packages on Sunday. The company announced on Monday that it has teamed up with the U.S. Postal Service and plans to roll the service out to a large portion of the U.S. in 2014 including Dallas, Houston, New Orleans and Phoenix. "If you're an Amazon Prime member, you can order a backpack for your child on Friday and be packing it for them Sunday night," said Dave Clark, Amazon's vice president of worldwide operations and customer service in a press release on Monday.


 [MetroWNY](#): Making sure those serving in the nation's armed forces receive their presents and care packages in time for the holidays is a priority for friends and family members of military personnel serving around the world and for the U.S. Postal Service. Helping to get packages on their way, the postal service offers a discount on its largest priority mail flat rate box at \$14.85. The price includes a \$2 per box discount for military mail being sent to APO/FPO/DPO (Air/Army Post Office, Fleet Post Office, Diplomatic Post Office) destinations worldwide. In addition to a lower cost per package, customers can be assured that shipping with the postal service provides reliable, trusted and secure delivery to military personnel stationed anywhere in the world. Priority mail flat rate boxes are available at no cost at local post offices, or can be ordered online at [shop.usps.com](http://shop.usps.com). Postage, labels and





customs forms can be printed online anytime using "Click-N-Ship." To ensure timely delivery of holiday wishes by Dec. 25, send cards and packages to military APO/FPO/ DPO addresses overseas no later than the mailing dates listed here.


 [NBC Bay Area](#): The U.S. Postal Service and Staples are launching a pilot program to open post office retail counters at Staples locations, including in South San Francisco and San Jose, USPS officials said. Staples is the first retailer to take part in the USPS' Retail Partner Expansion Program, officials said. The pilot program, which is available at the South San Francisco Staples at 470 Noor Ave., is set up to provide service, convenience and options to customers, according to officials. In the Staples, some post office products available will include stamps, first-class domestic and international mail and package services, priority mail, priority mail express, standard post and more, officials said. The program allows customers to ship packages from the Staples, providing a one-stop shopping option.

 [AJC.com](#): In early 2009, John Potter, then the postmaster general, delivered a dire warning to Congress: The U.S. Postal Service would run out of money unless lawmakers stepped in and passed legislation to help the agency stabilize its finances. "We are facing losses of historic proportion," Potter told a Senate committee. Since then, the post office has seen revenue for first-class mail — the agency's cash cow — decline by \$2.4 billion. It has defaulted on three annual \$5.5 billion payments into a health care fund for its future retirees. It has also exhausted its \$15 billion borrowing limit from the Treasury Department. More recently the agency has asked for permission to raise its postage prices to help cover costs. But in the face of such grim developments, Congress has yet to heed the warnings of Potter and his successor, Patrick Donahoe, and pass legislation to help the agency. The slow pace of reform of the Postal Service, which has experienced a net loss of about \$41 billion since 2007, has frustrated postal unions, customers and some lawmakers. The agency's financial woes, they said, have taken a back seat to other issues.

 [eCommerceBytes](#): eBay is extending commercial rates it receives from the U.S. Postal Service to more sellers during the holidays, but for some, the practice is raising a number of questions while irking others.

 [Post&Parcel](#): Engineering giant Northrop Grumman is facing a lawsuit from a whistleblower claiming it defrauded the US Postal Service over a sorting machine contract worth up to \$874m. Court papers have emerged revealing that ex-employee Beau Michaud has filed complaint against Norththrop and subcontractor Motor Drives & Controls, Inc., over the 2007 contract for the supply of Flats Sequencing Systems (FSS) to USPS. Michaud is seeking \$179m for USPS and a partial refund from the contract, with the lawsuit brought under the False Claims Act, which holds open the possibility of a court trebling the damages if liability is found. Northrop Grumman and USPS are already engaged in a separate, [18-month legal battle](#) over the same FSS contract.

 [The Telegraph](#): Australia's postal service has released a world-first "video stamp" which allows people to send a 15-second video with their parcels. The new service allows senders to scan a coded stamp on their mail bag and record a message on their smartphone via an app, and then stick the stamp to their parcel. Recipients can view the message by scanning the stamp on their smartphone or tablet or by entering a code on the Australia Post website. Australia Post said it had created three million of the stamps, which are free and could be continued beyond Christmas if successful.

 [Inquirer](#): Online retail giant [Amazon](#) will start delivering goods on a Sunday in the runup to Christmas, in yet another blow to brick and mortar shops. Clearly aiming to pound another nail in the coffin of high street retailers, Amazon said that it will bring will bring Sunday deliveries to Los Angeles and New York, as well as other US cities including Dallas, Houston, New Orleans and Phoenix in 2014. **Amazon will partner with the US Postal Service for its Stateside Sunday deliveries**, and said that it will be available to all Amazon shoppers, not just Prime subscribers. Also see [Wall Street Journal](#).


*November 10, 2013*



[Dead Tree Edition](#): A whistleblower is claiming that his former employer, Northrop Grumman, defrauded the U.S. Postal Service by providing it false information about the Flats Sequencing System. The ex-

employee also "alleges he was improperly discharged in retaliation." The Washington Post has identified the whistleblower as Beau Michaud. Northrop "intends vigorously to pursue and defend" both the whistle-blower case and the USPS litigation, its says in the SEC filing.


### *November 9, 2013*


 [The East African](#): Postal services could soon be open for competition if a Bill before parliament is passed. A Bill has been tabled in parliament to open up the sector, which is currently monopolised by the national post office for competition by providing a legal framework to regulate the sector. The government said courier services being offered by some public transport service providers other than the national post office are illegal and the new ICT Bill seeks to regulate the sector.





[National Association of Letter Carriers](#): Pursuant to the Memorandum of Understanding Re: Residual Vacancies—City Letter Carrier Craft (M-01824), the first wave of city carrier assistant (CCA) conversions to full-time career status took place Nov. 2. While the exact number of conversions that took place on Nov. 2 has not yet been finalized, NALC estimates that somewhere between 1,500 and 2,000 CCAs, most of whom had served multiple years as transitional employees (TEs) prior to becoming CCAs, were converted to full-time career status to fill vacant full-time letter carrier jobs. Those who served as former TEs directly before their CCA appointments will not serve a probationary period as full-time career letter carriers


### *November 8, 2013*

 [Logistics Manager](#): Rico Logistics has completed the acquisition of DHL UK's Same Day courier business, following an investment in the company by the TVS Group, which will see the organisation grow to a value of £80 million. Rico specialises in same day logistics and parts distribution operations across ten countries in Europe.

 [Lexology](#): On 27 March 2013, the Italian Competition Authority ("ICA") held that Poste Italiane S.p.A. ("Poste Italiane"), the Italian postal service incumbent operator, fell foul of Article 102 TFEU, the prohibition against an abuse of a dominant position. Poste Italiane is under an obligation to discharge the so-called "postal universal services" in Italy and, in certain circumstances, is entitled not to apply VAT for these services in order to benefit all customers. However, in breach of this obligation, Poste Italiane did not apply VAT to several services provided for by individually negotiated contracts with large Italian companies.


 [HPCWire](#): The US Postal Service (USPS) is upgrading its supercomputing and big data analytics capabilities once again to boost efficiency and fight fraud. A recent article at Federal Computer Week reports that Maryland-based FedCentric Technologies has been awarded the five-year \$16.7 million contract to super-size the agency's computing infrastructure.

 [Huffington Post](#): Its zeal for internal cost cutting has often led the USPS to lose sight of its public purpose. When deciding whether to close a post office, for example, management only looks at internal savings (and often exaggerates these.) It doesn't look at the additional costs imposed on the communities it serves, such as the increased out of pocket costs from having to drive hundreds and even thousands of miles more a year to more distant post offices. Nor is the even greater qualitative impact taken into account. The closure of a rural post office can eliminate what for many is the last remaining gathering place for people to connect and learn about local goings on.

 [At the Postal Regulatory Commission](#): "On September 30, 2013, the Commission issued Order No. 1847 in this docket which, among other things, scheduled public hearings for October 30, October 31, and November 1, 2013.<sup>1</sup> On October 17, 2013, the Presiding Officer issued a ruling adjusting the hearing dates to November 18-20, 2013, due to the suspension of Commission activities associated with the lapse in appropriations.<sup>2</sup> As previously ordered, hearings will begin at 9:30 a.m. and continue until cross-examination of scheduled witnesses has been completed. The schedule for the appearance of Postal Service witnesses at those hearings is set forth below. Date and Witness" **November 19, 2013** Altaf Taufique, Thomas E. Thress - - **November 20, 2013** Stephen J. Nickerson


- **Quarterly Service Performance Reports for FY 2013, Quarter 4**  
[http://www.prc.gov/docs/88/88246/Letter\\_QuartPerf\\_Q4FY13.pdf](http://www.prc.gov/docs/88/88246/Letter_QuartPerf_Q4FY13.pdf)  
[http://www.prc.gov/docs/88/88246/Quarterly Performance\\_FY13\\_Q4.zip](http://www.prc.gov/docs/88/88246/Quarterly Performance_FY13_Q4.zip)
- **RM2014-1 Petition of the United States Postal Service for the Initiation of a Proceeding to Consider Proposed Changes in Analytical Principles (Proposals Six Through Eight)**  
<http://www.prc.gov/docs/88/88253/Prop.8.FCM.Flts.xls>  
<http://www.prc.gov/docs/88/88253/Prop.8.FCM.LTRS.xls>  
<http://www.prc.gov/docs/88/88253/Prop.8.STD.LTRS.xls>  
<http://www.prc.gov/docs/88/88253/Prop.8.YRscrub2012.xlsx>  
<http://www.prc.gov/docs/88/88253/Prop.8.PER.xls>  
<http://www.prc.gov/docs/88/88253/Prop.8.STD.Flts.xls>  
<http://www.prc.gov/docs/88/88253/Petition.Proposals.6-8.pdf>

**INDUSTRY ALERT** Flats Sequencing System (FSS) Webinar November 14th at 2:00 PM - Upcoming changes with the FSS preparation have generated a lot of interest and the Postal Service wants to provide you the information you need. This webinar will provide a panel of experts to answer questions after the presentation, which includes information on FSS preparation, mailing statements, entry point options and rates. Instructions for participating in the webinar appear below. Attendee Information: U.S./Canada Attendee Dial-in: (855) 645-1305 Conference ID: 99247236 Attendee Direct URL: <https://usps.webex.com/usps/onstage/g.php?t=a&d=992089880> If you cannot join using the direct link above, please use the alternate logins below: Alternate URL: <https://usps.webex.com/EventNumber:992089880>

 **The Hindu:** For 16-year-old S. Neeraja who accompanied her father to the post office at North Veli Street on Wednesday morning, the idea of sending letters or postcards by post was new. "I have an email address and so do all my friends and cousins. We also have "apps" on our phone that enables instant messaging" she explained. She and others like her belong to a generation that depends on technology for instant communication. But the stream of people walking in and out of the post office is evidence that the postal services in the city are still relevant. "Inland letters and postcards are still in use despite the fact that people can now just call and pass on messages. Institutions and small organizations use it to advertise their products" says a postman at the head post office. "The dip in the use of postal services among the general public, however, can be attributed to the advent of courier services, e-mails and cell phones" he adds.



**Bloomberg:** Dave Barnes, chief information officer at UPS, discusses how technology has changed the shipping business and cutting fuel and company costs with the use of big data.

 **Logistics Online:** Postea Inc., a technology provider for the logistics, mailing and postal industry, announced that it has signed an agreement with TNT Post UK Ltd to deploy QubeVu® throughout its UK sortation centers. This follows an extensive trial program of the QubeVu Workstation and integration with TNT Post's existing business applications.



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

- The Association for Postal Commerce (PostCom) has extended its support for Senator Baldwin's amendment to strike Section 301 of S. 1486, the bipartisan Senate bill introduced by Senators Carper and Coburn.
- According to the USPS, "[it] proposes to add Alternate Postage Payment as a price category under both First-Class Mail Single-Piece letters and cards. The Alternate Postage Payment price categories are proposed as an easy, convenient way for producers of Single-Piece First-Class Mail® letters and cards to prepay the mailer's postage without the need for affixing a stamp. Indeed, Alternate Postage letters or postcards are nearly ready to be mailed at the time they are purchased or distributed. Customers need only address the letter or card and drop it in a collection box. This simplicity will make some customers more

likely to mail greeting cards or other correspondence. Alternate Postage will be a premium offering, and will therefore be priced above prevailing First-Class Mail Single-Piece postage rates."

- According to PostCom Board member Donna Hanbery, "[h]opefully the Voice of the Mail campaign can continue and America's leaders will listen. Perhaps if the people at the Postal Service, and elected officials, hear a human voice speak about the mail, and appreciate how each voice speaks for the thousands of other similar mailers in the country, they will take the actions needed to preserve the Postal Service and keep postal rates affordable for free paper publishers and their customers."
- PostCom and others raise concerns around USpS treatment of Full Service IMBIN CPI case. Poll shows overwhelming majority of consumers will cut back or spend zero on holiday purchases. USPS stalls with First-Class Tracer market test. Private industry should take over the USPS. APWU pay raise set for Nov 16. Union wins call center pay case. Retiree COLAs set at 1.5%. Senate postal bill hits a setback. Frustrated with your Gazette delivery? USPS predicts record holiday - FedEx and UPS will shine.
- An update from the Domestic Mail Manual.
- An update from the USPS Office of Inspector General.
- An update on postal happenings across the world.
- Postal previews.
- *USPS 2014 Promotions: Create Excitement & Engage With Mail*. Register your webinar seat now: <https://www1.gotomeeting.com/register/225257865>

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



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*From the [Federal Register](#): **Postal Service NOTICES** Meetings; Sunshine Act , 67207 [2013–26929] [\[TEXT\]](#) [\[PDF\]](#)*

[The Verge](#): The Office of Management and Budget released a new report today surveying the economic damage from the federal government shutdown last month — and the news is grim. All told, OMB estimates the 16-day shutdown cost the country as much as \$6 billion, taking between 0.2 and 0.6 percentage points off fourth-quarter GDP growth. OMB also notes that the shutdown stands as the longest in US history when measured in furloughed employee-hours. *[EdNote: Nice goin' guys....So, who's for furloughing Congress?]*

[The San Francisco Appeal](#): A federal appeals court is mulling a plea by the city of San Francisco and several tenants' groups for a trial on a lawsuit that seeks to force the U.S. Postal Service to deliver letters to individual mailboxes in single-room-occupancy hotels. "These are places where people live a long time, even though they pay the same way you would pay for a hotel," tenants' attorney Steffen Johnson argued before a panel of the 9th U.S. Circuit Court of Appeals in San Francisco Tuesday. The Postal Service contends it has a legitimate government objective in maintaining single-point deliveries in SFO hotels for reasons of efficiency and cost control.

[American Postal Workers Union](#): In an impassioned speech before more than 1,000 union members, the newly-elected president of the American Postal Workers Union, Mark Dimondstein, issued a call for a "grand alliance" to save the USPS as a public postal service and to protect postal jobs. "Writing to Congress is important," he declared, "but it is not enough. Lobbying for legislation is important, but it is not enough." To succeed, postal workers must build a movement, he said.



[Government Executive](#): Lawmakers tasked with reaching a budget deal before mid-January are likely to consider increasing the amount federal workers contribute to their pensions, according to federal employee and retiree advocates. Similar proposals have come up during previous budget and deficit discussions over the last few years, and this time won't be any different, say representatives from the Federal-Postal Coalition and the

National Active and Retired Federal Employees Association. "Common knowledge would certainly put this on the table," said Jessica Klement, NARFE legislative director. "I don't see how something like this isn't part of the conference unless we have some very, very vocal opponents," she said, adding, "At this point in time we have no reason to believe that cuts to the federal community are off the table."

*November 7, 2013*



*At the Postal Regulatory Commission:*

- **Docket No. R2013-10:** "Due to a lapse in appropriations, the Commission was required to close from October 1, 2013 through October 16, 2013. No substantive work was allowed to be undertaken during the closure. November 10, 2013 marks the expiration of the Commission's 45-day decisional period in Docket No. R2013-10. Because no work was allowed during the 16 days the Commission was closed, **the expiration of the Commission's 45-day decisional period is being adjusted to November 26, 2013.**"
- **R2014-1 Order No. 1873 - Notice and Order Concerning Market Dominant Classification and Price Changes for the Alternate Postage Payment Method:** "It is ordered: 1. The Commission establishes Docket No. R2014-1 to consider matters raised by the Postal Service's November 5, 2013 Notice. 2. Interested persons may submit comments on the planned price category implementation. Comments are due no later than November 25, 2013. 3. Pursuant to 39 U.S.C. 505, Sean C. Duffy is appointed to serve as an officer of the Commission (Public Representative) to represent the interests of the general public in this proceeding. 4. The Secretary shall arrange for publication of this notice in the Federal Register."



PostCom has signed on with a host of other parties to comment on the USPS CPI case. [http://www.prc.gov/Docs/88/88178/13-10-31 MPA et al. comments.pdf](http://www.prc.gov/Docs/88/88178/13-10-31_MPA_et_al_comments.pdf) These comments respond in particular to the Postal Service's October 24 responses to Chairman's Information Request No. 3, questions 1 and 2. The issue in this docket is what assumptions to make about the percentage of pieces that will qualify for automation prices when determining whether the Postal Service's proposed rates comply with the CPI cap imposed by 39 U.S.C. § 3622(d) and the Commission's rules.

**Associated Press:** U.S. economic growth is likely languishing in the second half of 2013, held back by federal policies and a slowdown in hiring that has kept consumers from stepping up spending. Economists are hopeful that the impact from Washington may soon ease, clearing the way for stronger growth next year.

**StartupSmart:** Australia Post franchisees are threatening to sue the government agency over cost increases in parcel deliveries. Licensed Post Office Group spokeswoman Angela Cramp says more than 500 franchisees are grouping together to fight for changes to the way Australia Post reimburses its 2895 franchisees for handling parcels. Solicitor Bryan Belling, a partner with K&L Gates, said he could launch action in the federal court on behalf of some of the franchisees within a month. Australia Post has responded to franchisees by increasing the reimbursement for parcel delivery "by around 75% for all of our licensees", said Australia Post spokeswoman Michelle Skehan.

**This Day:** Courier operators in the country has called for an independent regulator outside the Nigerian Postal Service (NIPOST) that is currently regulating the sector through its Courier Regulatory Department (CRD). The operators who spoke at the 5th Annual Bowill Public Lecture sponsored by Bowill Errands Limited in Lagos, also urged the federal government to speed up the process that will usher in a new and independent regulator, since NIPOST is also a courier operator, operating the EMS Speed Post. They argued that courier operators in the country have the potentials of handling N8 to N10 billion worth of jobs annually, excluding courier companies with foreign affiliations.

**24/7 Wall Street:** The U.S. Postal Service (USPS) expects to ship 15 billion pieces of mail and packages between Thanksgiving and New Year's Eve. USPS management claims this will be a record. The number represents a surge of 12% from last year. Although it will not be nearly enough to lift the USPS out of its dismal financial shape, it is a sign that shipping activity across the industry will be strong. That is particularly good news for United Parcel Service Inc. and FedEx Corp., which expect a good year, and the USPS forecast supports that.

*November 6, 2013*



[Senate Committee on Homeland Security and Government Affairs](#): The Committee reported out the nominations of Hon. Tony Hammond and Hon. Nanci E. Langley to be Commissioners of the Postal Regulatory Commission.



[Postal Technology International](#): Polish postal operator, Poczta Polska, has launched a new range of bundled shipping options to help business customers in the e-commerce industry prepare for the busy Christmas season. The new Paczka (parcel) range consists primarily of three bundle packages with a fixed-price shipping option.



[KALW](#):  ["What's really forcing the USPS into bankruptcy?"](#)



[KCBS News](#): The 9th Circuit Court of Appeals heard arguments in San Francisco Tuesday over whether the U.S. Postal Service is required to deliver mail to tenants in single room occupancy (SRO) hotels. The outcome will impact tens of thousands of low-income tenants. About 30,000 of San Francisco's poorest residents live in SRO's and in most cases the post office leaves all the mail for all the tenants in a single pile. The city and the Tenderloin Housing Clinic, under the leadership of Randy Shaw, filed suit over four years ago saying each tenant is entitled to individual mail delivery. So far the court has sided with the postal service. The U.S. Postal Service declined to comment on the case, but has argued in the past that SRO's are hotels and that because of fiscal restraints it can't afford separate delivery to each tenant. *Audio Recording of 9th Circuit Court of Appeals City and County of San Francisco v USPS Case No. 12-15473* [http://www.ca9.uscourts.gov/media/view.php?pk\\_id=0000011505](http://www.ca9.uscourts.gov/media/view.php?pk_id=0000011505)



[Fox News](#): Oklahoma Republican Sen. Tom Coburn has been diagnosed with a recurrence of prostate cancer and is seeking treatment. A spokesman says Coburn, a survivor of a 2011 bout with the disease, is "undergoing further evaluation and treatment." Coburn has battled colon cancer and melanoma in the past. He is expected to return to work in the Capitol as soon as next week.

*November 5, 2013*



*At the Postal Regulatory Commission:*

- [Docket No. R2014-1](#): United States Postal Service Notice Of Market Dominant Classification And Price Changes For The Alternate Postage Payment Method



[PRWeb](#): Online shopping from UK retailers experienced a 28% increase in parcel volumes in the last week up to Christmas in 2012, compared to the same period in 2011. A similar increase is expected in 2013, particular with the release of new postal sizes for small parcels from 28th October 2013. Together with this, Boxing Day sales and the increasingly important returns business, are expected to have record volumes during the period between Christmas and New Year (based upon 2011 to 2012 showing 69% increase). In 2012, Christmas spending was driven by the increase in internet use as 2.8 billion visits went on online retail sites during December, up by 30% from 2011. This was mainly driven by convenience and UK businesses can expect this to continue during 2013. On this basis postal volumes through small parcels and letters should top those experienced last year.



[Financial Times](#): Singapore delivers a new post. High quality global journalism requires investment. SingPost has been pushing into e-commerce parcel delivery as the business faces dwindling revenues from its network of 800 post boxes across the island. Ten years ago it was doom and gloom but most people see a silver lining with e-commerce and the associated parcel volume. SingPost is reverting to its historical roots as a regional hub. And it is doing so by offering a service that is unique among the world's traditional postal carriers: building websites for retailers that want to tap Asia's emerging generation of young consumers.



[Post & Parcel](#): Norway Post has seen its profits weaker than expected so far this year, thanks to strong competition in the Nordic logistics market and the continuing decline in mail volumes. Nevertheless, **the company**

said last week that **it was well positioned to cope if the Norwegian government chooses to abolish the last remaining monopoly protections in the domestic mail market**, letters under 50g in weight.



**Dead Tree Edition:** The U.S. Postal Service's attempt to enact hefty rate increases has plenty of critics, but the most damaging words against the proposal may have come from the Postal Service itself. Postal officials claim that the vast majority of USPS's revenue losses in recent years were caused by the economic recession of 2007-2009 – an "exigent" circumstance that could justify rate increases exceeding the rate of inflation. One coalition of mailers' groups recently pointed out to the Postal Regulatory Commission a USPS report from last year that stated, "'Diversion of communication and commerce to electronic channels is a principal contributor to declining First-Class Mail volumes"; and "Diversion reflects a permanent secular shift in customer behavior and is more pronounced during periods of economic weakness." [The report also states, "The Economy is NOT the Main Cause of Diversion."]

**Washington Post:** At some point soon, someone might need to remind Mark Dimondstein that he asked for this. Taking over as president of the American Postal Workers Union (APWU) during a time when the U.S. Postal Service is a financial wreck doesn't sound like fun. Dimondstein's victory, with about 55 percent of the vote, indicates the emergence of a more militant union. "The APWU membership has spoken decisively," he said, "for a new direction in our union as we face the challenges of protecting our jobs, our retirement and our public postal service from the postal privatizers on Wall Street, in Congress and even in postal headquarters." [When asked] How will the union's relationship with management change under your direction? [He said] We'll have to see. We're going to have lines in the sand that we're not willing to cross.



*November 4, 2013*

**Government Executive:** The bipartisan Senate proposal to overhaul the U.S. Postal Service has hit a snag, forcing the bill's authors to push back the timetable for a vote. Sen. Tom Carper, D-Del., chairman of the Homeland Security and Governmental Affairs Committee, introduced the bill with ranking member Sen. Tom Coburn, R-Okla., in August and has held two hearings on the legislation. But the 2013 Postal Reform Act has drawn significant criticism from committee Democrats, forcing Carper to postpone a markup originally scheduled for Wednesday. **Carper "wants to ensure that his colleagues and stakeholders have additional time needed to address provisions of the bill and make further improvements**, which is why the postal markup was postponed," a committee aide told Government Executive. Despite the setback, Carper remains optimistic the committee can proceed with a markup on the bill "later this month," the aide said. **A second, Democratic aide involved in negotiations said the bill is suspended "indefinitely,"** though the chairman still hopes to move on the bill before Thanksgiving. Democrats have expressed their desire to include more of the language from the bill that passed the Senate in the last session of Congress.

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

- **Competitive Post Office Box™ Service Features.** We revised [508.4.0](#) to incorporate standards for Competitive Post Office Box™ service and its available enhancements and condense the standards for Post Office Box service within this section. We published this information in the October 17, 2013, Postal Bulletin.
- **Correction — Modification of Letter Tray Placement on Pallets.** We revised [705.8.5.6e](#) to modify the requirement for placement of letter trays on pallets. We published this information in the October 17, 2013, Postal Bulletin

- **First-Class Package Service-CPP Payment Option.** We revised [430](#) to align the DMM text for the acceptable payment methods for First-Class Package Service® parcels paid at Commercial Plus™ Prices (CPP) to include PC Postage®. We published this information in the October 17, 2013, Postal Bulletin.
- **DMM Revision: Changes to Scan Based Payment Returns Procedures.** We revised [505](#), [608](#), and [705](#) to consolidate instructions provided to customers on how to use returns labels. We published this information in the October 17, 2013, Postal Bulletin.
- **USPS Package Intercept™-Payment Option.** We revised [507.5.0](#) to expand the payment options for commercial requests for USPS Package Intercept™ service to include Centralized Account Payment System (CAPS) trust accounts. We published this information in the October 17, 2013, Postal Bulletin



*At the Postal Regulatory Commission:*

- **[Postal Regulatory Commission Job Vacancy Notice](#)** Vacancy Number: PRC 09-13 **Open:** October 31, 2013 **Close:** November 26, 2013 **Position Title:** Economist **Grade:** PRC 3 **Salary:** \$56,809 - \$90,893 Location: Postal Regulatory Commission Office Of Accountability And Compliance 901 New York Avenue, NW, Suite 200 Washington, DC 20268-0001
- **Audio recording of Second Technical Conference for Docket No. R2013-11** Exigency Rate Case (Witness Thress)  
[http://www.prc.gov/prc-docs/home/whatsnew/Technical\\_Conference\\_10312013.mp3](http://www.prc.gov/prc-docs/home/whatsnew/Technical_Conference_10312013.mp3)
- **Audio recording of Third Technical Conference for Docket No. R2013-11** Exigency Rate Case (Witness Nickerson)  
[http://www.prc.gov/prc-docs/home/whatsnew/Technical\\_Conference\\_11012013.mp3](http://www.prc.gov/prc-docs/home/whatsnew/Technical_Conference_11012013.mp3)

**Mobilestorm:** Social media campaigns are, without question, a new "must" when it comes to modern digital marketing. Companies in every sector are investing in tools, talent, and expertise in the realm of social media. But despite the runaway momentum of social media marketing, recent studies show that the more traditional tactic of email marketing is still superior to social media for attracting new customers.


**The Verge:** We the People, the White House petition site launched in 2011, will soon be available from third-party apps and websites. At 2pm ET today, the Obama administration will start taking applications for a limited beta of the We the People Write API, which lets people sign petitions directly from non-governmental websites. "One of the things we've heard from the beginning is a strong desire from our users to be able to submit signatures and petitions from other sites — and still receive an official response," writes Ezra Mechaber of the White House's digital strategy office. "Up to this point, we haven't had a way to accept signatures submitted from other sites, but that is about to change."


**Presort.com:** A few days ago, I learned from an industry source that a group calling themselves "Secured Mail Solutions" is filing lawsuits against a number of high-profile companies claiming infringement on two patents. The lawsuit includes some fairly well-known companies like RR Donnelley, Harte-Hanks, Microdynamics, Vertis and others. It was explained to me that these patents both pertain to the use of a barcode on direct mail, where the barcode is linked to a database for purposes of tracking. This description seems to include QR codes, as well as POSTNET barcodes. Please note that I have not had time to personally investigate these claims — nor seek legal counsel — so don't take my post as a statement of fact, nor any official position from our company. I'm merely musing on what I've heard. Secured Mail Solutions appears to be a company that owns the patents that are being enforced; you can see more here: [http://securedmailsolutions.com/Intellectual\\_Property.html](http://securedmailsolutions.com/Intellectual_Property.html). If the lawsuits have merit, it could be somewhat disruptive for the industry, since there's so much hoopla about using QR codes in marketing campaigns. It also seems like this lawsuit would eventually have to involve the US Postal Service, since they now require the use of barcodes.




[Pushing the Envelope Hits 5-Year Mark](#)



 [National Foundation for Credit Counseling](#): For the fourth year in a row, the November poll hosted on the National Foundation for Credit Counseling (NFCC) website revealed that the overwhelming majority of consumers intend to either spend less than the previous year or nothing at all on holiday purchases. The poll began querying consumers on holiday spending habits in 2010, one year after the recession officially ended. Taken in totality, the four-year set of data reveals only a modest gain in consumer optimism toward spending from year one to date. Combined with the fact that the Conference Board Consumer Confidence Index decreased sharply in October, it appears that consumers are still not inclined to begin spending, even for holiday purchases.

 [Post & Parcel](#): International mail is once again being accepted in Somalia after a 23-year disruption, under a partnership involving Emirates Post Group and the Universal Postal Union. The East African country has been isolated from the rest of the global mail system ever since civil war broke out in 1991.


 [Redwood Falls Gazette](#): For the past several weeks, the ladies here at the Gazette have been getting lots of calls from you, our readers, about your paper getting to your mailbox later than you had been accustomed to seeing it. We want you to know we understand that frustration, but we also want you to know there really is not a lot we can do about it here. Once the paper is finished here in our office, it is sent to the printer. After that, it is bagged up and sent to the U.S. postal service for delivery. Unfortunately, as we all know, the postal service has been undergoing some changes in recent years, and those changes have impacted the delivery of our mail – whether it be the newspaper or the birthday card from our grandma we hoped to see on our actual birthday. What makes it even more frustrating is local postal service employees have little they can do, either, and when questions are asked the only response they can give is to tell us they really can't say anything.





The latest copy of the [PostCom's Executive Summary](#) has been posted on this site. Please feel free to use this information or pass it along to others, including executives within your company.




[USPS 2014 Promotions: Create Excitement & Engage With Mail](#) Join us for a Webinar on December 10 -- Since the 2011 Mobile Barcode Promotion, the Postal Service has been creating promotions and incentives to create awareness of innovative uses of mail. By encouraging customers to adopt and invest in technologies that enhance how consumers interact and engage with mail, we fundamentally improve the long-term value of the product which will provide substantial benefits in future years Building on previous promotions and incentives, the USPS has developed new programs that will help businesses connect with customers and keep mail an essential part of the marketing mix. Please join the Association for Postal Commerce, PostCom on Tuesday, December 10, 2013 at 1:00 Eastern for a FREE webinar presented by Gary Reblin, Vice President, New Products and Innovation for the United States Postal Service. Gary will share a high level review of the exciting details for the 2014 programs included in the current pricing request.


 [Finance Townhall](#): If they really wanted to succeed in life, what I should have done was teach my kids how to be politicians. Education? Forget it. Experience? Not necessary. My children merely had to learn how to turn on the charm, smile, and promise anything and everything with one objective in mind, to be elected to the U.S. House of Representatives and/or the United States Senate. And this would be their reward: Cheap healthcare, free parking, extravagant junkets, lifetime pensions, unlimited use of health spas, frequent television and radio time, and of course "legal" insider stock trading.


 [Communication Logistics](#): Like the Universal Postal Union, the EU also wants its citizens to be able to conduct business safely and securely in the digital sphere. However, whereas the former serves only the interests of the national incumbents, the philosophy behind EU legislation is to create a barrier-free, single market in the digital environment. When it comes to digital services, the European Commission makes a core distinction between Digital Identity and Electronic Identification.


 [The Slovak Spectator](#): The telecommunications Regulatory Authority of the Slovak Republic (TÚ SR) should merge with the Postal Regulatory Authority into the Office for Regulation of Electronic Communications and Postal Services as of January 2014. The merger is part of the consolidation of regulatory authorities under the draft bill on the Office for Regulation of Electronic Communications and Postal Services and the Transport Office, which the Slovak Parliament advanced to a second reading on October 16.

*November 3, 2013*

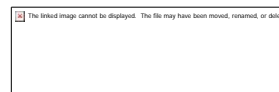
 [The Hill](#): A range of Senate Democrats – many from red states – have serious concerns about the U.S. Chamber's bill to overhaul the U.S. Postal Service, adding a new impediment to Congress's efforts to get legislation done. But in the latest setback for postal reform, Democrats like Sens. Jon Tester (Mont.) and Claire McCaskill (Mo.) say the current Senate bill would do too much to, among other things, slow down delivery standards and eat into USPS's remaining competitive advantages. In the face of those concerns, the Senate Homeland Security Committee pushed back a scheduled Wednesday mark-up of the bill, released this summer by the panel's chairman, Sen. Tom Carper (D-Del.), and its top Republican, Sen. Tom Coburn (R-Okla.). "There's probably a dozen things that need to be fixed with that bill," Tester, a member of the Homeland Security panel, told The Hill before the mark-up was delayed. Asked if changes would be needed to get his vote, Tester said: "Absolutely. Unequivocally, yes." "If you passed one change, that wouldn't necessarily mean I'm going to vote for it," Tester added. Sen. Tammy Baldwin (D-Wis.) thinks the measure would give USPS too much leeway to increase stamp prices and other rates. The Postal Service is already seeking an emergency rate increase, above the rate of inflation – a move that has angered industries like banks and publishers. Sen. Bernie Sanders (I-Vt.) and others liberals have complained that this year's Senate proposal isn't as strong, after they fought for stronger protections last year on delivery standards and keeping mail processing centers open.


 [The Advertiser](#): Household postal services should be cut to two or three days a week. In the modern world of instant communications it is no longer necessary to have a five-day-a-week postal service. The current daily system could be retained for the business community in specific postcode areas like 5000. Post office post boxes would need to be serviced daily. The wheels of commerce must keep turning. Australia Post boasts, with some justification, a very high success with next-day postal deliveries. But is it really necessary for the average household? Is it imperative that a holiday postcard from Uncle Harry arrives the following day? Do we need a daily delivery of Christmas cards? Would it matter if a postcard or letter that would currently arrive on Thursday didn't turn up until Friday? Are service providers so desperate for our money that their bills must arrive the day after they are posted? We manage to survive with no mail from Friday to Monday so why not Tuesday to Thursday? It is ironic that so many companies post accounts and then encourage us to pay electronically.

 [Scoop](#): Freightways subsidiary DX Mail is targeting New Zealand Post's business mail senders with a promise of next day, across town, 5 day a week delivery. Last month New Zealand Post abandoned its own next day delivery service and last week announced scaling down its standard mail delivery to 3 days a week from mid 2015. Business mail is the life blood of New Zealand Post's postal operations. New Zealand Post's announcements have provided DX Mail with the opportunity to go for New Zealand Post's bulk business mail, revenue stream jugular. Along with its 5 day a week delivery service DX Mail is also planning to extend its delivery network to every town and city in the country. Private sector mail companies are able to undercut New Zealand Post's prices and service because the Government has not compelled the private sector competitors under the Postal Services Act 1998 to meet the same social obligation as New Zealand Post's mandatory provision of a nationwide service. As more of New Zealand Post's mail business is selectively taken over by private mail companies the processing and delivery of a substantial proportion of mail is effectively being privatised.

 [Clarion Ledger](#): Hundreds of postal employees wore pink and walked walks in support of breast cancer research. But the U.S. Postal Service's main weapon of choice to fight the disease was in sales of the semi-postal "Fund The Cure" stamps. And the Mississippi District exceeded \$568,000 in October sales of the stamps throughout its more than 400 post offices to lead the nation for the second straight year.

*November 2, 2013*



 [American Postal Workers Union](#): In a decision issued Oct. 28, Arbitrator Stephen B. Goldberg ruled that the USPS must upgrade all Customer Care Agents two levels and must make them whole for all pay and benefits they lost as a result of the improper ranking of their positions. "This is a tremendous victory for the APWU and for all the Customer Care Agents," said APWU President Cliff Guffey. More than 1,100 employees hired at three Customer Care Centers pursuant to the Memorandum of Understanding (MOU) on **Clerk Craft Jobs will be upgraded from Level 4, 5 and 6 to Level 6, 7 and 8.** "This was a 100% victory," said Clerk Craft Director Rob Strunk. The Jobs Memorandum, which is part of

the 2010-2015 Collective Bargaining Agreement, says that Corporate Call Center locations must be staffed by a minimum of 1,100 Clerk Craft employees.



[American Postal Workers Union](#): The Social Security Administration has announced a **cost-of-living adjustment (COLA) of 1.5 percent** for federal and postal retirees.

Retirees over the age of 62 who have been receiving benefits for a year more as of Dec. 31, 2013, will receive the full amount. The Office of Personnel Management (OPM) will pro-rate the percentage for those who have been receiving benefits for less than one year as of Dec. 31. The increase will be reflected in the January 2014 annuity and will apply to retirees covered by both the Civil Service Retirement System (CSRS) and the Federal Employees Retirement System (FERS). *[EdNote: So....Please tell me again. Why does the Postal Service need the ability to raise rates BEYOND the rate of inflation?]*

[eNews Park Forest](#): Oneike Mickhale Barnett pleaded guilty today in the U.S. District Court for the Southern District of Florida in Ft. Lauderdale to one count of conspiracy to commit wire fraud, the Justice Department, U.S. Postal Inspection Service, U.S. Immigration and Customs Enforcement's Homeland Security Investigations and U.S. Marshals Service announced. Barnett, a Jamaican citizen, was charged in connection with a lottery scheme based in Jamaica that fraudulently induced elderly victims in the U.S. to send Barnett and his co-conspirators thousands of dollars to cover fees for lottery winnings that victims had not won.

**November 1, 2013**

[Postalnews](#) Blog: **APWU-represented postal employees will receive an increase in their annual salaries effective Nov. 16**, which will be reflected in paychecks dated Dec. 6. The increase will apply to employees covered by the APWU-USPS 2010-2015 Collective Bargaining Agreement. Beginning Nov. 16, career employees will receive an increase of 1.5 percent of the salary that was in place on the effective date of the agreement. PSEs (who are not eligible for cost-of-living increases) will receive a raise of 2.5 percent. The increase marks the third pay raise for career employees this year. Cost-of-Living Adjustments totaling more than \$1,100 dollars were implemented in September and March. The upcoming raise and cost-of-living adjustments were negotiated during bargaining in 2010 and 2011 for the 2010-2015 contract.


[National Association of Postmasters of the U.S.](#): Over the past month, Chairman Carper and ranking Republican Tom Coburn (R-OK) have commiserated over revisions to the bill, included those suggested by NAPUS; however, there has been little information shared on what changes would be mutually acceptable to Carper and Coburn. Mailers object to giving the USPS more latitude to adjust rates for market-dominant products. NAPUS believes that the current pricing regime is too restrictive, and has impaired the quality and accessibility of services. Under current law, postage cannot exceed a particularly low consumer price index (CPI), as measured by the Bureau of Labor Statistics. There exist other indices more reflective of postal expenses, such as the CPI for Delivery Services and the Producer Price Index for Delivery and Warehouse Services.

[YLE](#): Delays may be seen in postal deliveries nationwide following the announcement of an overtime ban by the union representing postal workers. The action, announced by the Finnish Post and Logistics Union PAU, is aimed at pressuring employers to resume suspended contract negotiations. According to the Itella postal services, the large volumes of mail handled at the start of the month could mean the ban will cause delays starting on Friday and in some cases breaks in scheduled deliveries.

[UB Post](#): Prime Minister N. Altankhuyag handed eight vehicles for long-distance postal delivery services to state-owned Mongol Post on October 30. The vehicles were made in Korea, each with the capacity to carry 50 ton loads, strong cross-country capacity, and fully equipped for accurate and efficient delivery. The vehicles will deliver mail from Ulaanbaatar to Zamiin-Uud, Orkhon, Darkhan-Uul, Bulgan and Selenge provinces. The New Government for Changes is set to implement five projects for postal service development at a cost of 1.9 billion MNT. The acquisition of the transport logistic vehicles was the first of the projects.


[Times Herald-Record](#): A flurry of recent campaign mailings by Orange County executive candidate Steve Neuhaus indicate they were paid for by the New York Republican State Committee and mailed at the reduced


postage rate state political parties pay — about half the price Neuhaus would have been charged. But a series of cash transfers recorded in campaign finance reports suggest Neuhaus and Republican candidates in other counties have funneled payments for their mailings to the state party through their county Republican committees to obscure the money's origin. Doing so enables them to take advantage of the state party's lower postal rate, which saves candidates thousands or tens of thousands of dollars per mailing.


 **The New Zealand Herald:** Prime Minister John Key says the loss of up to 2000 postal jobs is the "brutal reality" of people sending fewer letters. New Zealand Post announced yesterday that it expected to axe the jobs in an attempt to safeguard its future options. Chairman Sir Michael Cullen said the organisation would focus on logistics and financial services, innovation in its mail and retail network, and lowering costs.


 *At the Postal Regulatory Commission:*


- R2013-10 Response of the United States Postal Service to Chairman's Information Request No. 3, Question 5  
<http://www.prc.gov/docs/88/88189/CHIR%20No.3.Qu5.pdf>  
<http://www.prc.gov/docs/88/88189/ChIR3.Qu5.Resp.CAPCALC.Promotions.xls>  
<http://www.prc.gov/docs/88/88189/Emerging%20Tech%20Promo-R2013-1.xls>  
<http://www.prc.gov/docs/88/88189/Holiday%20Mobile%20Shop%20Promo-R2013-1.xls>  
<http://www.prc.gov/docs/88/88189/Emerging%20Tech%20Promo-R2013-10.xls>  
[http://www.prc.gov/docs/88/88189/Mobile%20Coupon\\_C2C%20Promo-R2013-1.xls](http://www.prc.gov/docs/88/88189/Mobile%20Coupon_C2C%20Promo-R2013-1.xls)  
<http://www.prc.gov/docs/88/88189/Holiday%20Mobile%20Shop%20Promo-R2013-10.xls>  
<http://www.prc.gov/docs/88/88189/Promotions%20Data.xls>  
[http://www.prc.gov/docs/88/88189/Mobile\\_Coupon\\_C2C\\_Promo-R2013-10.xls](http://www.prc.gov/docs/88/88189/Mobile_Coupon_C2C_Promo-R2013-10.xls)

 U.S. Senate Committee on Homeland Security and Governmental Affairs Chairman Tom Carper (D-Del.) and Ranking Member Tom Coburn will hold a business meeting on Wednesday, November 6, 2013 at 10:00 a.m. in room 342 of the Dirksen Senate Office Building in Washington, D.C. At the business meeting members will consider the following nominations: Hon. Tony Hammond to be a Commissioner, Postal Regulatory Commission; and Hon. Nanci E. Langley to be a Commissioner, Postal Regulatory Commission. *[EdNote: The expected markup of S. 1486 has been postponed.]*



 **LoveMoney:** The Communication Workers Union (CWU) has now cancelled the planned 24-hour strike which was to halt all non-managerial functions at Royal Mail and Parcelforce, and was due to take place on 4th November. However, it has raised the issue of what options do you have if you need to send a parcel but can't - or don't want to - use Royal Mail? Can the alternatives work out cheaper?

 **Marketing Week:** The Royal Mail is to launch its first major TV campaign in six years just weeks after the postal service was privatised by the Government as it gears up for the busy festive parcel delivery season.

 **The Desert Sun:** The country's biggest monopoly is on target to lose more than \$6 billion this year on revenues of \$62.5 billion. Part of the problem is the sheer overwhelming size of the Postal Service. It employs some 574,000 workers, making it the third-largest U.S. employer behind only the U.S. government and Wal-Mart. At 212,530, the Postal Service operates the largest non-government vehicle fleet in the world. One might wonder, how does an entity that is exempt from taxes, has a monopoly on its services and has increased its prices at a rate 50 percent higher than the inflation rate over the past 50 years lose money? The answer lies in the basic fact that **neither the Postal Service nor the U.S. government is run like a business.** *[EdNote: Sort of has a ring of familiarity, doesn't it?]* Well, it's time for Big Brother to let go. I don't mean let it sink or swim, as it is already sinking, but it is time for the United States to sell off this under-performing asset. Private industry can do it better. Let them.

 **Herald Online:** What's a stamp? That's a question we're likely to hear from young people in the not-so-distant future. Despite the fact that U.S. Postal Service has labeled its stamps "forever," their future seems as tentative as ... well, handwritten letters. Not long ago (at least it doesn't seem long ago to me), stamps not only were necessary to send letters but also were a source of fascination for kids. We not only knew what a stamp was, we also collected

them from all over the world and put them in albums for safe keeping. A recent article in Time magazine charts the sad decline of stamp collecting. While a few wealthy people still collect stamps – the really rare ones – most children no longer take up the hobby, and stamp collecting now is a dying art. Even worse news: Most of those stamps we collected as kids that were supposed to soar in value over the years and make us rich aren't worth much more than their face value today. [EdNote: What's a stamp? Well, isn't that we as a society create and maintain museums -- just to answers to questions like that?]

 [Bloomberg](#):  Fred Smith, CEO at FedEx, talks with Sara Eisen about regulation in the United States, why it hurts competitiveness with the rest of the world and why he is optimistic about the budget committee.

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

- The U.S. Postal Service has filed with the Postal Regulatory Commission (PRC) the latest edition of its Household Diary Study survey, a multi-year market research study of mail that is received by and sent from American households. The recently released study covers household-mail trends during the Postal Service's Fiscal Year (FY) 2012, running from September 25, 2011, through September 28, 2012. PostCom presents highlights from the 2012 study.
- PostCom has provided a presentation of the facts around the Postal Service's monopolies and how certain provisions within S. 1486 would endanger the viability of the postal ecosystem and the 7.5 million jobs within the postal industry.
- According to the USPS, "[it] in May 2013 began working with key industry associations representing flats mailers to develop an updated strategic plan for flats. We thank these associations for their continuing work and support of this initiative, which has helped identify the outlook and barriers to flats product growth in the next few years. We have posted a working draft of the flats strategic plan on the Industry Outreach page on RIBBS located in the Industry Alert and Notices section. This working draft represents preliminary information around the current state of flats, including a wealth of information about flats operations and equipment, as well as recent strategies aimed to reduce flats costs. It is not yet a fully-formed strategic plan, however, because more discussion and work are needed (you will note there are some sections not yet written in the draft).
- PostCom and others say USPS has extended CPI cap. S. 1486 scheduled for mark-up. New management named within USPS. UPS 3Q profit climbs on higher shipping volume. Study says direct mail still a key segment. Issa bill would open FEHBP to all Americans, but at what cost? U.S. Bank makes mobile credit card play. Amazon puts groceries in its shopping cart. 17 more ways USPS is not like a real business. The inbox trumps the mailbox. 'The Nation' seeks \$120,272 from readers for postal rate hike. USPS: Time to go public? Postal Inspectors: Prevent a cyber takeover. USPS wins internet security award. USPS says small business pilot program off to positive start. PostCom's newest member.
- Notices from the Federal Register.
- An update from the Domestic Mail Manual.
- An update from the USPS Office of Inspector General.
- An update on postal happenings across the world.
- Postal previews.

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



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*At the Postal Regulatory Commission:*



- **R2013-10** Comments of Alliance of Nonprofit Mailers on USPS Response to Chairman's Information Request No. 5, Question 4  
<http://www.prc.gov/docs/88/88185/13-10-31%20ANM%20comments%20on%20CHIR%205%20Q4.pdf>
- **Quarterly Statistics Report, Quarter 3, FY 2013**  
[http://www.prc.gov/docs/88/88188/Letter\\_QuartStat\\_Q3FY13\\_20131031160458.pdf](http://www.prc.gov/docs/88/88188/Letter_QuartStat_Q3FY13_20131031160458.pdf)  
[http://www.prc.gov/docs/88/88188/Quarterly\\_Statistics\\_Report-Quarter\\_III\\_FY\\_2013.pdf](http://www.prc.gov/docs/88/88188/Quarterly_Statistics_Report-Quarter_III_FY_2013.pdf)