



## **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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1800 Diagonal Rd., Ste 320 \* Alexandria, VA 22314-2862 \* Ph.: +1 703 524 0096 \* Fax: +1 703 997 2414

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### ***Postal News for November 2015***

***November 30, 2015***

#### **NATIONAL NEWS**

***Wall Street Journal:*** Shopping trends shaping up this holiday season mean logistics investment in the retail world will rush more rapidly toward e-commerce distribution. That's sure to include new efforts to bulk up online capabilities and inventory and delivery networks aimed at fulfilling online sales. A National Retail Federation survey showed more people shopped online over the weekend, showing how rapidly the retail landscape has changed in the face of new technology, reports the WSJ's Sarah Nassauer. Internet scorekeepers said online sales traffic grew at a double-digit pace over the weekend and mobile devices exceeded desktop traffic for the first time ever. That should be a wake-up call for retailers that rely mostly on physical stores that fundamental changes in shopping will require them to transform their models to compete, experts say. Expect more spending on online sales—and the distribution infrastructure to get goods to the right place.

***e-CommerceBytes:*** The US Postal Service updated its iPhone app on November 20th, and users are complaining about problems with the new version. One of the biggest complaints - users say the process of scheduling a pickup is now so laborious that they're giving up on using that feature on the app.

#### **INTERNATIONAL NEWS**

***UNITED KINGDOM: Post & Parcel:*** In its annual monitoring update on the UK postal market, the regulator Ofcom has reported that "the vast majority of consumers are satisfied with their postal services and that prices remain affordable for almost all consumers". The regulator also found that: "Royal Mail continued to meet or exceeded the majority of its quality of service targets for the second sequential year." The Ofcom report, which was published on Friday (27 November), added that First and Second Class national targets were met, as were the Postcode Area (PCA) results (with a small number within the margin of error). Looking at the ongoing trends in the postal sector, Ofcom noted that total addressed letters volumes continued to fall in 2014-15, declining by 1.1% to 12.6bn items.

***NEW ZEALAND: ChannelLifeNZ:*** New Zealand Post has partnered with MuleSoft to fuel its growth strategy. The postal service has launched a new Developer Resource Centre, which will be powered by MuleSoft's Anypoint Platform. The developer portal provides a set of application development resources that enable customers and partners to implement e-commerce solutions, improve addressing accuracy and securely share documents by integrating their websites and mobile applications with New Zealand Post's APIs. The organisation says APIs are aiding the NZ Post's transition from a traditional postal services provider to a new business model focused on its parcels and logistics business. New Zealand Post Group manages an extensive mail network comprising of 1730

post offices, 884 retail points of presence, 414 properties, 542 couriers and 1.93 million delivery points. In addition to its physical mail business, New Zealand Post provides financial services through Kiwibank, parcel and courier services, printing and a range of emerging, 'digital first' services.

*November 29, 2015*

## INTERNATIONAL NEWS

**UNITED KINGDOM:** [\*Daily Mail\*](#): Postmen are to be equipped with miniature cameras so they can prove they have safely delivered packages. Royal Mail is beginning a trial of the devices, which are installed in the hand-held computers carried by postal workers on their rounds. If there is no one in when they call – and the householder has made no arrangement for mail to be left with a neighbour – postmen will be able to take a picture of the package in a designated 'safe place' such as the porch or behind a rubbish bin.

*November 28, 2015*

## POSTAL/FEDERAL NEWS

**USPS Office of the Inspector General:** The USPS OIG is seeking a highly qualified applicant to fill our Deputy Assistant Inspector General, Mission Operations position in the Office of Audit located in Arlington, VA. The successful candidate must be highly motivated and demonstrate experience in planning and performing complex audits/evaluations.

**Federal Register: Postal Regulatory Commission PROPOSED RULES** Periodic Reporting , 74741–74742 [2015–30319] [[TEXT](#)] **NOTICES** New Postal Products , 74818 [2015–30225] [[TEXT](#)]

## NATIONAL NEWS

**Breaking Finance News:** You Tuber Luanga Nuwame has recently launched a public service announcement video on his Homemade Game Guru channel to expose how his tracked USPS package of comic books was tampered with. He wants his experience to serve as a warning to fellow consumers looking to ship expensive items though the USPS this Christmas season. His 10-minute video entitled 'How USPS Employees Can Steal Your Package's Contents this Christmas' outlines the 3-month ordeal Nuwame has endured to find out how postal employees opened his package and substituted its contents with a stack of paper without detection. The stolen comics were meant to be showcased in a review video on his channel.

*November 27, 2015*

## INTERNATIONAL NEWS

**SWEDEN:** [\*Postal Technology International\*](#): Swedish car manufacturer Volvo has launched the world's first commercially available in-car parcel delivery service for customers based in Gothenburg, Sweden. The service is available for Volvo drivers who live or work in the city and who have signed up for the Volvo On Call (VOC) service – an app that allows customers to remotely lock or unlock the car as well as check the instrument panel. The delivery service is only available for products purchased online at baby goods and toy store Lekmer.com or grocery retailer Mat.se. PostNord delivery drivers deposit the packages in the customer's car using a one-time digital key to gain access to the vehicle.

**AUSTRALIA:** [\*The New Daily\*](#): Australia Post has come under pressure from retiree advocates to raise public awareness of postage discounts available to pensioners after an investigation by The New Daily found that Australian health card holders are set to forego up to \$74 million of stamp concessions in 2016. However, most of these people are not aware that they can get free and discounted stamps from Australia Post if they open a special 'MyPost Concession Account' at any post office. Australia Post revealed on Friday that less than half of the 5.7

million Australians eligible for concessions have applied to get the discounts. Only two million accounts have been opened with AusPost since the concession scheme was introduced in March 2014. Under the scheme, all health card holders who take out a MyPost concession account can get five free stamps and a 40 cent discount on the new \$1 standard postal rate for 50 stamps each year. That means 3.7 million pensioners will potentially miss out on up to \$74 million worth of discounts when the new pricing regime takes effect early next year.

*November 26, 2015*

**POSTAL/FEDERAL NEWS**

***Federal Register:***

<b>Postal Regulatory Commission</b>	
<b>NOTICES</b>	
New Postal Products ,	
74147–74148 [2015–30094]	<a href="#">[TEXT]</a> <a href="#">[PDF]</a>
74148 [2015–30150]	<a href="#">[TEXT]</a> <a href="#">[PDF]</a>
<b>Postal Service</b>	
<b>NOTICES</b>	
Product Changes:	
Priority Mail Express Negotiated Service Agreement ,	
74148 [2015–30107]	<a href="#">[TEXT]</a> <a href="#">[PDF]</a>
Priority Mail Negotiated Service Agreement ,	
74148 [2015–30106]	<a href="#">[TEXT]</a> <a href="#">[PDF]</a>

***The Hill:*** Congressional leaders face several hurdles to getting a budget deal done by the Dec. 11 deadline, including a fight over health funding that is holding up the omnibus spending package. There’s also a battle brewing over dozens of policy riders aimed at Wall Street and environmental regulations that Republicans insist should be included in the legislation but Democrats warn could lead to a government shutdown. Republicans counter that riders are included in every annual spending package. “Riders on appropriations bills are as common as the sun rising in the morning and setting in the evening,” said a Senate Republican leadership aide, who noted that Democrats are pushing some of their own riders.

**NATIONAL NEWS**

***Mashable:*** "10 biggest game changers in digital marketing of 2015"

***Pittsburgh Post-Gazette:*** The holiday season is filled with traditions that might seem to be meaningless. But one tradition, in my mind, is a keeper — the sending of Christmas cards. If one sends cards, one needs to receive them. We eagerly anticipated the holiday mail and were in awe and admiration of those who had their names printed on their cards rather than handwritten. They must have been pretty important, we thought, since they were too busy to sign themselves. Just signing my name inside the card is not sufficient. I also write a brief personal note to each recipient. Christmas cards and their senders are long cherished. There is no doubt that although keeping in touch is so much easier today than in 1945, one might see how this quaint custom might fall by the wayside. When you send someone a Christmas card, you are also sending a piece of yourself.

***Hyperallergic:*** **A Photographic Index of Illicit Objects Seized at the US Border.** Each of the photographs presents the item quietly against a white backdrop, underlying the intense 24-hour effort of Simon’s time at JFK where she had a simple studio set up at the airport. All items were taken from airline passengers or express mail by

the US Customs and Border Protection Federal Inspection Site and the US Postal Service International Mail Facility. While the objects, whether the obviously questionable gun-shaped belt buckle that is also a lighter or the more banal counterfeit Chanel, never entered the country, they continued their journey beyond the border through the photographs.

***Techspot:*** Amazon is reportedly the entity behind a secretive air cargo operation launched this past September codenamed "Aerosmith." According to an investigative report from Motherboard, the project is being run by holding company Air Transport Services Group (ATSG) out of the Wilmington Air Park in Wilmington, Ohio. The facility, described as a non-passenger airport with two runways and major sorting / cargo capabilities, was once used by DHL. The airport has been largely underutilized ever since the courier moved its operations elsewhere in 2008. DHL, FedEx and UPS all confirmed that they weren't behind the operation. In a statement from Amazon, the company simply said that it has long utilized air capacity through a variety of great partners to transport packages and they expect that to continue. Last month, a person reportedly familiar with Amazon's plans told DC Velocity that the e-commerce giant was assembling a team of high-level executives to lead its push in developing its own transportation network. If true, the move makes a lot of sense as it would allow Amazon to decrease its dependence on major couriers like FedEx, UPS and the US Postal Service. Doing so may also help Amazon offset shipping costs and boost profits, no doubt good news for the company and its investors given its thin margins.

## INTERNATIONAL NEWS

***ISLE OF MAN: Isle of Man.com:*** For the first time in postal history, 27 postal administrations within the Commonwealth have come together for a genuine postage purpose to produce a unique stamp sheet to mark the 50th anniversary of the Commonwealth Secretariat and the role as HM The Queen as Head of the Commonwealth.

***GERMANY: Post & Parcel:*** Deutsche Post has submitted its request to Germany's Federal Network Agency for approval of new postal rates that are scheduled to take effect on 1 January. In addition to the price adjustment to 70 euro cents for standard letters within Germany, the price for Maxibrief national items up to 1000 grams will also go up, from €2.40 to €2.60. International standard letters and postcards will cost 90 euro cents starting in 2016, up from 80 euro cents. The price for large international letters (Grossbrief) up to 500 grams will be increased from €3.45 to €3.70. Prices for other individual letter mail formats, whether national or international, will remain unchanged. The new price for transporting standard letters within Germany must also be paid by business customers, but here the company has plans to increase the discount for downstream access for standard letters by 5 percentage points. Deutsche Post has also requested approval to raise the rates for some special services. In the future, items such as domestic or international registered mail (Einschreiben) will cost €2.50. Some special services – registered mail to addressee's mailbox (Einschreiben Einwurf), delivery to addressee only (Eigenhändig) and/or with advice on delivery (Rückschein) – will each cost €2.15.

***EUROPE: Virtual-Strategy:*** The Global Parcel Delivery Market Insight Report 2015 is intended to provide an analysis of the market and the trends which are driving it - in particular the growth of online retailing and the delivery challenges it raises - and evaluate the world's largest carriers. Industry concentration varies by segment with international air express being the most concentrated. Concentration of domestic (national) parcel delivery services varies from country to country. Even after recent waves of consolidation in the global parcels market, there are still smaller players operating within most domestic and even regional markets. The global parcels industry is witnessing seismic changes from technological innovation, shifts in economic activity, and the booming trend in online retailing. E-commerce growth has driven a huge growth in B2C parcel market volumes and consumers are now demanding more convenient methods of collecting their parcels as well as more efficient methods of returns. This report highlights the role that national postal operators have played in the parcels market. Traditionally focused on letter mail (now suffering a slow volume decline, largely as a result of e-substitution), postal operators now find themselves in a strong position to benefit from the growth in B2C parcel deliveries. Many national post offices have expanded significantly in the global parcels market via acquisition. Royal Mail made a number of targeted acquisitions to build a pan-European parcels network, General Logistics Systems. La Poste also followed a similar strategy to build its European network, DPD.

***EUROPEAN COMMISSION - POLAND: New Europe:*** "State aid: Commission approves financing of Polish Post's universal service obligation via a compensation fund." *The following press release was issued by the*

*European Commission on November 26, 2015 11:45 am.* The Commission has approved the measure because the compensation paid to Polish Post is limited to the additional costs it faces to fulfil its public service mission (so-called “universal service obligation”). Moreover, the design of the mechanism to finance the compensation does not lead to a significant distortion of competition in the Polish postal market. Commissioner Margrethe Vestager, in charge of competition policy, said: “This is the first time the Commission has approved the use of a compensation fund mechanism to finance the provision of a universal postal service and I welcome that the Polish system approved today will benefit its postal customers in line with EU state aid rules.” In June 2014, the Polish authorities notified plans for financing universal postal services carried out by Polish Post from 2013 until 2015. These include basic postal services delivered throughout the country at affordable prices and at certain minimum quality requirements. Under EU state aid rules on public service compensation, adopted in 2011, companies can be compensated for the extra cost of providing a public service subject to certain criteria. This enables Member States to grant state aid for the provision of public services whilst at the same time making sure that companies entrusted with such services do not get overcompensated, which minimises distortions of competition and guarantees an efficient use of public resources.

**NIGERIA:***Nigerian Bulletin:* According to the acting Head of the Civil Service of the Federation, Winifred Oyo-Ita, the Nigerian government is planning to privatise the country’s postal services. Ms. Oyo-Ita said the Nigerian Postal Services will possibly enter into public private partnership in areas such as courier services, money transfer, E-commerce and modernizing postal services.

**November 25, 2015**

**PostCom Members !!** *The latest issue of the [PostCom Bulletin](#) is now available online.* Hey! You've not been getting the weekly PostCom Bulletin--the best postal newsletter anywhere...bar none? **Send us by email** yourname, company, company title, postal and email address. See what you've been missing.

## POSTAL/FEDERAL NEWS

**USPS Industry Alert: Streamlined Mail Entry Publication November 25, 2015** The Postal Service has several key initiatives to streamline the acceptance, induction, and verification of commercial card, letter, and flat mailings: Full-Service Intelligent Mail, Move Update, eInduction, and Seamless Acceptance. A new publication, Streamlined Mail Entry for Letters and Flats, provides the policies and procedures for these initiatives. [An initial draft of the document is posted on RIBBS](#). The mailing industry is encouraged to review and provide feedback on the document by December 24, 2015. Feedback should be sent to [mailacceptancepub@usps.gov](mailto:mailacceptancepub@usps.gov).

**Attention PostalOne!® Users: Streamlined Mail Entry Publication November 24, 2015** The Postal Service has several key initiatives to streamline the acceptance, induction, and verification of commercial card, letter, and flat mailings: Full-Service Intelligent Mail, Move Update, eInduction, and Seamless Acceptance. A new publication, Streamlined Mail Entry for Letters and Flats, provides the policies and procedures for these initiatives. An initial draft of the document is posted on RIBBS at [https://ribbs.usps.gov/intelligentmail\\_guides/documents/tech\\_guides/StreamlinedMailEntryPublication.pdf](https://ribbs.usps.gov/intelligentmail_guides/documents/tech_guides/StreamlinedMailEntryPublication.pdf). The mailing industry is encouraged to review and provide feedback on the document by December 24, 2015. Feedback should be sent to [mailacceptancepub@usps.gov](mailto:mailacceptancepub@usps.gov).

**USPS Industry Alert:** The Postal Service has published its [PROPOSED 2016 PROMOTION CALENDAR](#)

### **Postal Regulatory Commission:**

- RM2015-16 PRC-LR-RM2015-16/1 - **Approved FSS Workshare Avoided Costs Models**  
[http://www.prc.gov/docs/93/93868/PRC-LR-RM2015-16\\_1.zip](http://www.prc.gov/docs/93/93868/PRC-LR-RM2015-16_1.zip)
- RM2015-16 Order No. 2839 - Order Approving Analytical Principles Used in Periodic Reporting (Proposal Seven)  
<http://www.prc.gov/docs/93/93864/Order%20No.%202839.docx>  
<http://www.prc.gov/docs/93/93864/Order No. 2839.pdf>

- USPS Preliminary Financial Information (Unaudited), October, 2015  
[http://www.prc.gov/docs/93/93861/2015.11.24 OCTOBER-15 FY 2016 PRC Final--report.pdf](http://www.prc.gov/docs/93/93861/2015.11.24%20OCTOBER-15%20FY%202016%20PRC%20Final--report.pdf)  
[http://www.prc.gov/docs/93/93861/Letter\\_PFI\\_Oct2015\\_20151124164255.pdf](http://www.prc.gov/docs/93/93861/Letter_PFI_Oct2015_20151124164255.pdf)
- National Trial Balance, October, 2015 (FY 2015); and Statement of Revenue and Expenses, October, 2015 (FY 2015)  
[http://www.prc.gov/docs/93/93860/Letter\\_NTB-SRE\\_Oct\\_FY15\\_20151124164344.pdf](http://www.prc.gov/docs/93/93860/Letter_NTB-SRE_Oct_FY15_20151124164344.pdf)  
[http://www.prc.gov/docs/93/93860/National%20Trial%20Balance%20-%20Redacted,%20%20October,%202015%20\(FY%202016\).xls](http://www.prc.gov/docs/93/93860/National%20Trial%20Balance%20-%20Redacted,%20%20October,%202015%20(FY%202016).xls)  
[http://www.prc.gov/docs/93/93860/Statement of Revenue and Expenses - Redacted, October, 2015 \(FY 2016\).xls](http://www.prc.gov/docs/93/93860/Statement%20of%20Revenue%20and%20Expenses%20-%20Redacted,%20October,%202015%20(FY%202016).xls)

## NATIONAL NEWS

***The Daily Caller:*** In the obviousness department, it stacked right up there with “Weather Cools as Winter Nears” and “Retail Sales to Increase After Thanksgiving.” The American Postal Workers Union this week called on the Postmaster General Megan Brennan to “make postal banking a reality now.” It’ll be terrific. The people who dumbed down the definition of on-time delivery of mail, then failed the on-time test worse than ever, can be in charge of cashing checks, providing electronic fund transfers, offering fee-free ATM machines and accepting payments on utility bills.

***Lloyd's Loading List:*** Amazon’s moves deeper into logistics may already be extending into air freight and air express delivery operations, according to sources in the US that believe a new air freight operation out of Wilmington airport in Ohio may be directly run on behalf of the online retail giant, using infrastructure formerly used by DHL Express. The project involves a hub-and-spoke air freight operation out of Wilmington (ILN) with four flights a day to and from four other confirmed airports: Allentown, PA (ABE), Ontario, CA (ONT), Tampa (TPA) and Oakland (OAK). Amazon has distribution centres about 30 km from ABE and ONT and within 100 km of TPA and OAK, Motherboard noted. Indeed, Amazon has made no secret of its desire to gain greater control of its logistics processes and costs, moving into door-to-door deliveries in some parts of the world’s two most advanced e-commerce markets, the US and the UK.

***CBS Chicago:*** A citywide series of thefts from U.S. Postal Service delivery vehicles, in which the robbers have gained access by punching or prying open the locks, has prompted a community alert from police.

## INTERNATIONAL NEWS

***EUROPE and U.S.:*** ***Wall Street Journal:*** FedEx Corp. has received U.S. antitrust approval to buy TNT Express NV, a \$4.8 billion deal announced in April. The transaction was included in a Federal Trade Commission list of transactions receiving early termination of antitrust waiting periods. FedEx and TNT said Oct. 20 they were informed by the European Commission that “no statement of objections will be issued” in Europe, clearing one of the biggest hurdles for the deal. The European review has a Jan. 13 deadline.

***EUROPE:*** ***Supply Management:*** Increased regulation of airspace in the future means drone deliveries - recently heralded as the retail delivery solution of the future - are unlikely to take off, according to a new report. The report, European Retail & Logistics Insights – From Sheds to Shelves, by Colliers International, says calls from the European Commission (EC) for tighter regulation of airspace is likely to keep the concept of delivery drones grounded.

***UNITED KINGDOM:*** ***Financial Times:*** UK Mail’s chief executive is standing down a week after the postal group issued its second profit warning in four months, partly thanks to problems with expensive new parcel sorting machines. UK Mail said Guy Buswell would step down “by mutual agreement”, leaving with immediate effect. He will be temporarily replaced by company founder and non-executive chairman Peter Kane.

***November 24, 2015***



## POSTAL/FEDERAL NEWS

**Federal Register: Postal Regulatory Commission NOTICES Market Dominant Price Adjustments , 73245–73246 [2015–29833] [\[TEXT\]](#)**

## NATIONAL NEWS

**CNN Money:** The price of diesel is down 30% from a year ago, but UPS still charges customers a 5.25% fuel surcharge on top of whatever it would cost to ship a package. FedEx's fuel surcharge is 4.25% for ground shipments and 2.75% for express shipments. The companies said their fuel costs are determined by factors beyond prices at the pump. For example increased shipments to residential customers, due to online purchases, mean using more fuel. Making additional stops instead of delivering multiple packages to a delivery dock drives up fuel usage, said FedEx spokesman Jess Bunn. And residential locations often require more travel between stops than do business deliveries. Both companies also charge an added fee for residential delivery on top of the fuel surcharge. Those residential fees are tacked on when the customer sending a package indicates it is going to a residence.

**Fox Business:** This year, UPS and FedEx also have new rate policies in place that will force online retailers to rethink how they pack items for the holidays. At the start of 2015, UPS and FedEx extended the use of dimensional-weight pricing to all domestic ground shipments. In other words, shipping rates are now formulated using on the size of each package if it exceeds the actual weight. The delivery giants cited logistical problems created by small e-commerce orders packed in large boxes that take up too much space on their planes and trucks. UPS and FedEx said the rate changes should encourage their customers to find more efficient means of packing merchandise. UPS also announced new policies for heftier packages just in time for the holiday season. Last month, the company said it would charge \$110 for oversize packages, up from \$57.50, and hike fuel surcharges. "We're still in the stone age of e-commerce. Customers still use one type of package to ship. Now we're matching items to packaging," Chrisman said. "We're still in the very early stages of modernizing e-commerce fulfillment, and we're seeing great receptivity to speeding up fulfillment or reducing packaging."

**Dead Tree Edition:** Don't look for any major downsizing from the U.S. Postal Service during the coming year: A new report indicates the postal workforce will remain stable through late 2016. The Postal Service released a five-year plan in April 2013 that called for cutting 92,000 career employees by September 2017, then almost immediately put the brakes on more than a decade of downsizing: Since that report was released, the career workforce has hardly budged, ending FY 2015 at 492,000. "The continued growth in the number of packages -- which are much more labor-intensive than letters -- and the ever-growing number of delivery points, make it increasingly difficult to capture work hour savings," says the FY2016 plan. Assuming that the 4.3% exigent surcharge on most postal rates will be eliminated early next year, the plan projects a revenue increase of only \$400 million, to \$69.3 billion. With an estimated \$1.5 billion in additional expenses, that would mean an operating loss of \$100 million.

**Ruralinfo:** The Board establishes annual PFP incentives to provide opportunities for the Postmaster General and the Deputy Postmaster General to earn enhanced compensation, directly tied to the level of their performance. The Postmaster General establishes annual PFP incentives for other officers, to provide them opportunities to earn increased compensation based upon their performance. Uncertainty is largely driven by our flawed business model which limits our ability to be financially successful, and which can only be corrected by comprehensive postal legislation. The Governors believe that this situation must be remedied in the near future, and are concerned that if this situation continues much longer, it will further erode our ability to retain highly-qualified individuals as officers and to recruit the best qualified individuals from the marketplace, if external hiring is deemed to be the best solution to fill critical officer vacancies. Additionally, our financial constraints, which largely are the products of structural defects that only Congress can remedy, have prevented us from fully complying with the statutory mandate that officers be paid in a manner comparable with their private sector counterparts.

**NPR:** Only 19 percent of Americans — about 1 in 5 — say they trust the government "always or most of the time," according to a study released by the Pew Research Center on Monday. Yet clear majorities also favor the government taking "a major role" in fighting terrorism, responding to natural disasters, keeping food and drugs safe, protecting the environment, strengthening the economy and improving education. Despite this desire for government

services, Americans are clearly dissatisfied with the level of service they feel they receive. Three out of four, 74 percent, say public officials put their own interests ahead of the nation's. And a majority, 55 percent, say ordinary Americans would "do a better job of solving problems" than the people whose job it is to do so. Individual government agencies also sometimes did better than one might expect. **More than 80 percent of respondents were positive about the performance of the U.S. Postal Service.**

## INTERNATIONAL NEWS

**CROATIA:** [Total Croatia News](#): Croatian Post and Croatian Postal Bank (HPB) have decided to introduce their first joint product – Pošta & HPB Kartica. It is a contactless MasterCard credit card which provides maximum flexibility in payment, so that users in each accounting period have a choice between paying for their costs in full or in instalments. Payment in instalments is possible for transactions at retail outlets in the country and abroad and for internet purchases, according to the model of repayment that customers choose when applying for the card – three, six or twelve instalments. Also, for the purchases of up to 100 kuna the card enables contactless payment as well.

**AUSTRALIA:** [ATN](#): Most Australian small to medium enterprises (SMEs) have difficulty with getting their products to customers in the peak pre-Christmas period, according to a FedEx survey. FedEx reports the poll of 1,000 consumers and 400 SMEs revealed 94 per cent of businesses believe Christmas will bring an increased demand for online shopping, but 63 per cent of businesses admit they have not proactively prepared for the peak season. Three out of four (76 per cent) SMEs say local businesses are missing out on revenue because they don't have effective shipping systems and over half (51 per cent) of consumers believe Australian companies are falling behind their overseas competitors when it comes to preparation for peak season shopping. "We know Australians love to beat the queues and shop online at Christmas, but too many businesses underestimate the role shipping can play in the online shopping experience," FedEx Express Australasia managing director Kim Garner says.

November 23, 2015

	<b>PostCom welcomes its newest member: <a href="#">Diamond Marketing Solutions</a> 900 Kimberly Drive Carol Stream, IL 60188 Main Contact: <a href="#">Dawn Mellas Vice President Postal Affairs</a></b>
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## POSTAL/FEDERAL NEWS

**USPS Industry Alert:** The November 23, 2015 issue of the Postal Service's "[Mail Spoken Here](#)" has been posted on this site.

**USPS Industry Alert: Tampa Bulk Mail Entry Unit – Power Outage Monday, November 23, 2015** The Tampa Bulk Mail Entry Unit (BMEU) will be without power until 5:00p.m. today due to an accident that disabled all cable systems to the facility. Until the outage has been resolved, all permit imprint mailers are being asked to use the Tampa Airport BMEU location as their primary acceptance unit to drop off their mailings.

**USPS Industry Alert: USPS Help Desk and Incident Tracking Webinar Friday, December 11, 2015, 11a.m. – noon (Eastern Standard Time)** The U.S. Postal Service Help Desk plays a key role in tracking issues that may affect the acceptance and induction of commercial mailings. This webinar will provide a detailed explanation of what happens when a Help Desk Ticket is opened. Two USPS experts will walk through what happens from the moment the ticket is opened, the investigation and resolution process, and how the ticket is tracked. They'll also cover the communication process followed for releases, delayed performance, or system outages. Speakers: Ed Wanta, Address Management Support Analyst Christine Simone, Business Process Analyst, Principal Registration Required. Instructions for participating in the webinar appear below: Attendee Information US/Canada Attendee Dial-in: (866) 381-9870 Conference ID: 55710534 Attendee Direct URL: <https://usps.webex.com/usps/onstage/g.php?MTID=e7015fbfc789f1f7bbf9f01f42ad77454> If you cannot join using the direct link above, please use the alternate logins below: Alternate URL: <http://usps.webex.com> Event Number: 995 708 117



***USPS Office of the Inspector General: Getting Real*** -- Like wreaths and garlands decorating your favorite retail store, the U.S. Postal Service's holiday ads let you know the holiday season has officially started. The ads – television, radio, and direct mail – focus on reliable package delivery. This year, however, the ads also tout some of the bells and whistles the Postal Service has added to package delivery to enhance the customer experience. Notably, the Postal Service is featuring real-time notification of packages as soon as they arrive on a customer's doorstep. Using the [myusps.com](http://myusps.com) online tool, customers sign up to get a text or email alert within a few minutes of delivery. Working from the [myusps.com](http://myusps.com) dashboard, customers can also redirect packages or hold mail for pickup. When signing up for the service, customers must use a [usps.com](http://usps.com) account, then a third party vendor verifies the customer's identity and address through a series of questions and answers established during the online sign-up. Real-time notification is just one example of the Postal Service responding to customer expectations, which increasingly include free and fast delivery, especially during the holiday season. But customers also want convenience and security, which redirecting packages allows. Sunday delivery is another example of a response to customer expectations. Again this holiday season, the Postal Service will deliver packages 7 days a week – and not just for Amazon – in select major cities and high-volume areas for the 4 Sundays before Christmas. The Postal Service expects to deliver on average about 5 million packages every Sunday during December.

## NATIONAL NEWS

***Fusion:*** A mere \$400 is all that's standing between millions of Americans and major financial drama. That finding, from a Federal Reserve study in May, means that everyday problems like a blown tire, a home repair or a couple missed shifts can spiral into months of financial stress—or even insolvency—for people who live paycheck-to-paycheck. Many of those Americans end up turning to payday lenders, which offer small amounts of money for short periods of time without asking too many questions. That easy money comes at an enormous price: a typical payday loan is \$375, and costs the average borrower \$520 in fees, according to a study by the Pew Charitable Trusts. Payday lenders have been around since the early 1990s, when they began sprouting up as storefront check-cashing places in urban areas. Payday lenders have also gotten attention in political circles, with some arguing the U.S. Postal Service should wipe them out by becoming a bank. At first glance, the post office might seem like it has absolutely nothing in common with a payday lender. But they are very similar in an important way: sheer ubiquity. The Postal Service's 31,000 branches touch communities all over the country, and represent a familiar and trusted brand. But rather than reaping profits on the backs of the poor the way payday lenders do, the Postal Service has a mission to serve the public without earning any money. In fact, postal banking isn't such a strange concept—it's just been dead for awhile. The Postal Service maintained deposit accounts for decades until 1967, when the program ended due to declining popularity. As lawmakers debate the particulars, the private market may find its own solution in the form of another ubiquitous American entity: Walmart. After pursuing a banking license for years, the retail giant was effectively rejected in 2006. Since then, Walmart apparently gave up on becoming a bank through official channels, but it has built up a variety of banking services anyway. Some come through partnerships: a credit card with American Express, deposit accounts with Green Dot, small business loans with LendingClub. It also offers low-cost remittances, competing head-on with Western Union. Walmart did not respond to multiple requests for comment on this story, so it's hard to know what its banking aspirations are, if any. But in theory, it could become a very viable player in payday lending by undercutting the competition the way it does in all of its other businesses.

***Washington Post:*** Both the House and the Senate are away for their customary Thanksgiving recess this week, and the House plans only 12 more days of business this year. The long trend toward shorter stints in Washington and longer “district work periods” back home has continued in the 114th Congress, and next year looks to be even more relaxed: Congressional calendars released earlier this month show that the Senate plans to spend no more than 143 days legislating next year, with the House planning only 111 days in Washington. That spare schedule reflects the demands of an election year: Unusually early national party conventions mean lawmakers will be taking the second half of July off, without giving up any of their traditional August recess. And October through mid-November is cleared for campaigning ahead of the Nov. 8 general election. But it also reflects the widespread understanding that Congress just might not have much to do next year. Tensions between President Obama and GOP congressional leaders, magnified by the political freight of an election year, mean few substantial measures have hope of advancing. And, more important, lawmakers have cleared out — or are in the process of clearing out — the few must-pass bills required to meet deadlines before the next Congress is sworn in. Meanwhile, thorny policy issues appear to be off the table for 2016.

**Washington Post:** The founders of this country expressed confidence that if the government were to be guided by the common sense of the people, members of Congress would find their way through the shoals of factionalism and make better decisions. In the case of the Postal Service in the 21st century, the founders appear to be right.

**Post & Parcel:** The American Postal Workers Union (APWU) has called on the US Postmaster General Megan Brennan to “make postal banking a reality now”. The APWU is backing the Campaign for Postal Banking, which claims that postal banking would both “strengthen” the US Postal Service (USPS), by establishing a new source of revenue, and also help the “28% of U.S. households [who] are underserved by traditional banks and turn instead to payday lenders, check cashers and other financial predators”. “The more than 30,000 branches of the US Postal Service can provide affordable, non-profit, consumer-driven financial services ranging from paycheck cashing and bill payment to savings accounts and small dollar loans,” the Campaign for Postal Banking has argued. While the USPS already provides some limited financial services, the Campaign would like to see it go much further. Examples of the initiatives it would like see include: installing surcharge-free ATMs at USPS branches; expanding services to include payroll check cashing; and providing bill paying and electronic fund transfers. The Campaign for Postal Banking has launched an online petition, which both the APWU and Senator Bernie Sanders, one of the Democratic candidates for the US presidency, are supporting.

## INTERNATIONAL NEWS

**UNITED KINGDOM:Financial Times:** Ahead of the discount bonanza of Black Friday and Cyber Monday, which kicks off the Christmas peak season, carriers such as Royal Mail, Hermes, UK Mail and Yodel have been preparing to handle an expected £2bn of web orders over the two days — a 30 per cent increase on last year, according to forecasts by Experian-IMRG. Preparations include investments in hubs, vehicles fleets and recruitment drives — but also attempts to convince retailers to tone down promises of speedy delivery times. This will be crucial to avoid the chaos that marred some operators’ performances last year and saw the collapse into administration of City Link on Christmas Eve, analysts say.

**UNIVERSAL POSTAL UNION:Post & Parcel:** Bishar Hussein, Director General of the Universal Postal Union (UPU), and Michel Jarraud, Secretary General of the World Meteorological Organization (WMO), have signed a cooperation agreement. According to a statement issued today (23 November) by the UPU, the agreement will help the global postal sector “address disaster risk reduction challenges and increase their level of preparedness through better targeted and tailored weather and climate information in the face of natural disasters”. Hussein added the UPU/WMO cooperation would not only help postal operators to improve their resilience to natural disasters and better plan their operations, but also mean that the Post can “play an important role in facilitating access to meteorological information to local communities and developing early warning systems”.

*November 22, 2015*

## NATIONAL NEWS

**Wall Street Journal:** For those specializing in online holiday shipping— FedEx Corp., United Parcel Service Inc., the U.S. Postal Service and Deutsche Post AG’s DHL—their peaks are yet to come, and they are expecting big ones. That is because of a stark disconnect between online and brick-and-mortar shopping expectations this year. Physical retailers are sitting on near record-high inventories as consumer spending hasn’t yet caught up with hopes of a surge stoked by low gas prices. They are also employing new methods of inventory management for the holidays, including shipping items sold online from some stores and stocking fewer goods in others as they attempt to better predict rapidly shifting consumer demand, resulting in more packages. UPS predicts its deliveries will increase 10% to a record 630 million packages between Black Friday and New Year’s Eve, compared with last year. The U.S. Postal Service announced earlier this month it expects to deliver 600 million packages during the same period, an increase of 11% from last year, while FedEx Corp. has said it would deliver 12% more packages from last year, or 317 million, between Black Friday and Christmas Eve. DHL Express, which in the U.S. primarily handles international shipments, expects its peak season volumes there to be more than 40% higher than its average daily volume in the third quarter. Its busiest day is forecast to be Dec. 22, when the company expects to deliver 250,000 shipments from around the world arriving in the U.S.

## INTERNATIONAL NEWS

**CANADA:***Digital Journal*: Many countries have taken the opportunity to privatize postal services to help out their corporate friends. Among the prime functions of modern governments is to find new sources of profits for capital. First moves involved changing the laws that used to give national postal services monopolies over postal services. Private corporations were allowed into parcel delivery etc. services, that could bring a profit while often leaving uneconomical services such as regular mail delivery to isolated and rural areas to the national postal service. This forced national services such as Canada Post into an unfair competition in which its competitors were able to provide services in a growth area in high volume settings whereas Canada Post also had to provide first class mail service to remote areas with low volume and no profits. Things have now "progressed" to the point where former government postal services have been wholly privatized in many countries. In Canada this has yet to happen but many public post offices are now privatized and located in shopping centers etc. CUPW long ago suggested that Canada Post should consider re-introducing postal saving banks at post offices. Canada Post had a postal bank until 1968. In 2006 Japan's postal bank was the world's largest savings bank with US \$1.7 trillion in deposits. Israel's post offices offer bill payments, savings and checking accounts, and foreign exchange services at all its post offices. China also has a huge chain of postal savings outlets. The union claims that these services would generate much needed income for Canada Post and would be particularly beneficial in rural or low income areas not well served by the existing banking system.

*November 21, 2015*

## POSTAL/FEDERAL NEWS

### Federal Register:

- **Postal Regulatory Commission** *NOTICES* New Postal Products , 72998 [2015–29724] [[TEXT](#)]
- **Postal Service** *RULES* International Service Changes: Bonaire, Sint Eustatius, and Saba, Curacao, Netherlands Antilles , 72901–72902 [2015–29720] [[TEXT](#)]

## NATIONAL NEWS

*The Press-Enterprise*: Every Sunday, the U.S. Postal Service takes on a task of major proportions to deliver an Amazon River full of toys, tools, toddler clothing and other items to your front porch. That's the day postal workers in Inland Southern California exclusively deliver thousands of packages and envelopes from Amazon fulfillment centers, and priority mail packages moving through its own U.S. Postal Service pipeline, to customers in the region.

*The Daily News*: The United States Postal service will deliver on Sundays again this holiday season. Following the success of the 2014 holiday season, the Postal Service will again deliver packages seven days a week in select major cities and high-volume areas beginning Nov. 29, for the four Sundays before Christmas. They expect to deliver on average approximately five million packages every Sunday during December. In time for the holidays, the Postal Service will offer real-time delivery notifications - meaning customers who sign up for alerts at [myusps.com](#) will receive notification within a few minutes of the delivery scan for select packages.

*Postalnews.com*: Dozens of people in one valley neighborhood have all been hit by vandals. Overnight Sunday, someone busted open eight different mailbox clusters and they still have not been fixed.

## INTERNATIONAL NEWS

**UNITED KINGDOM:***Financial Times*: Royal Mail is facing shrinking postal demand and overcapacity in parcels amid competition from Amazon. Lex's Oliver Ralph and Jonathan Eley discuss how the now fully privatised company is faring.

*November 20, 2015*

## POSTAL/FEDERAL NEWS

**Federal Register: Postal Regulatory Commission NOTICES** International Mail Contracts , 72753–72754 [2015–29621] [[TEXT](#)]*Meetings*; Sunshine Act , 72754 [2015–29777] [[TEXT](#)]

**USPS Office of the Inspector General: U.S. Postal Service’s DRIVE 25 – Improve Customer Experience** In fiscal year (FY) 2011, the U.S. Postal Service established 36 Delivering Results, Innovation, Value, and Efficiency (DRIVE) initiatives to improve its business strategy. DRIVE aims to reduce the reported \$20 billion gap between revenue and expenses by FY 2016, through strategic initiatives with measurable outcomes. DRIVE Initiative 25 – Improve Customer Experience consists of three projects aimed at developing new systems, tools, and processes to anticipate customer behavior and predict future needs. The goals are to achieve 90 percent customer satisfaction by 2019 based on how complaints and inquiries are resolved and build brand loyalty and revenue. Our objective was to determine whether the DRIVE Initiative 25 used established DRIVE project management processes.

## NATIONAL NEWS

**CBS New York:** Companies are looking to ensure more convenient and potentially easier shipping by designating specific pick-up locations for your packages. The ‘Amazon Locker’ program allows buyers to have their order shipped to a designated storage unit for those who don’t want their packages delivered straight to their doorstep. Buyers are emailed a unique code they can use to access their designated locker to retrieve their packages, CBS2’s Vanessa Murdock reported. Amazon Lockers can also be found in some grocery stores and pharmacies throughout New York City. United Parcel Service, or UPS, said it’s striving for convenience too. Last year, they introduced ‘Access Point,’ which allows users to have their packages delivered to a nearby store or bodega, rather than their lobby, where it can go unattended. Users can sign up for Access Point online for free — store owners get paid fifty cents per package.

**The Economist:** Congress is perhaps the postal service’s biggest impediment. Though created by, and operating under the authority of, the federal government, it does not receive federal funding. It must rely on stamp sales and shipping revenue to operate. But this hybrid model, not fully private or public, is paralysing and constrains business. Elaine Kamarck of the Brookings Institution, a think-tank, says it “impedes innovation”. The USPS cannot, for instance, ship alcohol, a lingering ban from the temperance movement, but expanding what it may deliver would require congressional approval. There is little political will to act.

## INTERNATIONAL NEWS

**CANADA: CBC:** After making a profit in the second quarter of the year, Canada Post has reported a loss of \$13 million in the third quarter. In the first nine months of the year, the Crown corporation lost \$20 million before tax, a figure that is likely to play into upcoming decisions over door-to-door delivery. Canada Post hopes its parcels business, mainly deliveries of merchandise ordered online, will help keep it profitable in the years ahead as traditional mail volumes fall.

**KENYA: Standard Media:** With a history that dates back to the 17th Century, the Postal Corporation of Kenya (PCK) is the country’s oldest formal institution and an unrivalled treasure trove of information. But today, after five colonial and post-colonial administrations, and four post-independence regimes, PCK is staring at an uncertain future as rapid technological advances and a liberalised market eat into its core business and threaten its survival. The main challenge for PCK is its mandate as a State corporation. A post office is supposed to be one of the most basic pieces of infrastructure Kenyans have access to, regardless of location or economic standing. In fact, PCK is mandated by the Postal Corporation Act of 1998 to facilitate the sending and receiving of letters less than 350 grammes at subsidised prices. Any other provider that seeks to enter this space is expected to price its services up to five times higher to give Posta the price advantage. But to facilitate this universal service mandate, PCK has to contend with unviable outlets that bleed the company Sh650 million of taxpayers’ cash each year. This is money the management says could be better spent on more strategic ventures. “We have outlets that are commercially unviable ... but because of our universal service obligations, we have to keep these post offices open even if no one is using them,” said Postmaster General Enock Kinara.

**NEW ZEALAND:** [\*Stuff\*](#): NZ Post says there may be no bottom to the fall in letter volumes, but if they eventually ran out the business could be highly profitable. Appearing before a select committee in Parliament on Thursday, chairman Sir Michael Cullen told MPs that while in the past the board had expected postal volumes to recover or the decline to ease, this had never occurred. "I don't think its possible to forecast any bottom to the change" in falling mail volumes, Cullen said. NZ Post has previously said letter volumes had been falling at up to 10 per cent a year. "The remarkable thing is how steady it's been year on year for about 10 years," Cullen, the former deputy prime minister said, with almost every business looking to eliminate or reduce sending physical letters to customers. "Even Kiwibank is trying to move people online, so even our own 100 per cent subsidiary is trying to reduce the extent to which they use the mail communication side of the business, and they have to to be competitive with the other banks."

**SOUTH AFRICA:** [\*Moneyweb\*](#): The Post Office is getting a veteran of corporate South Africa to lead it. Telecommunications & postal services minister Siyabonga Cwele said on Thursday that cabinet had decided to appoint Mark Barnes as CEO of the troubled state-owned company, effective 15 January 2016. Barnes's appointment is for a five-year period. He was recommended to the position by the Post Office board, following a recruitment process. "This appointment will help us address one of the two main challenges faced by the Post Office, that of creating leadership stability," said Cwele in a statement. "This stable leadership will help the board to implement the strategic turnaround plan that was approved by cabinet in June this year. In August, cabinet approved the appointment of the current board. I believe the board is capable and needs an equally capable management team to turn the Post Office around." Barnes, who chairs the JSE-listed Purple Group and who has extensive experience in the private equity industry in South Africa, has said on a number occasions in recent months that he has been lobbying government to accept a proposal that would see the private sector getting involved in helping to rescue the Post Office.

**SOUTH AFRICA:** [\*BizNews\*](#): Turnaround plans at the South African Post Office do not include any talk of privatisation, says the state-owned company's new chief executive officer.

**BELGIUM:** [\*Post & Parcel\*](#): The first half of 2015 saw a revenue increase of 3.3% for posts worldwide, according to [International Post Corporation's \(IPC\) Global Postal Industry Report \(GPIR\) Key Findings](#). Summarising the findings of the GPIR, which presented full-year 2014 results and initial 2015 results, IPC said: "Despite the significant challenges that lie ahead, the outlook for the postal industry is positive. The industry's financial performance in the short term looks to be improving, with both average revenue growth and operating margins at the group level increasing in the first half of 2015. "The results were in part driven by improved performances across both mail and parcels business units: Compared to the same period in 2014, average revenue growth remained stable for mail (0.2%) but doubled for parcels (10.5%), while margins strengthened for both divisions." The GPIR noted that total mail volume fell by 3.9% in 2014 on average, although admail continues to experience a more moderate decline (around 2%). "E-substitution remained the primary driver of mail decline across markets, with digitisation affecting a diverse range of market segments including corporate advertising and government administration," added IPC. "Results for posts' mail divisions remained positive on average however, thanks to cost efficiency initiatives and innovation. Mail remains the industry's primary revenue source, though its share of total industry revenue fell to 44.8% in 2014."

**November 19, 2015**

## **POSTAL/FEDERAL NEWS**

**Department of State:** The Universal Postal Union (UPU) system of terminal dues governs payments between designated postal operators for the transport, sorting, and delivery of cross-border letter post items in the destination country. UPU rates are used by many postal operators across the world, both directly and indirectly (as a fall-back provision). In a report from September 2014<sup>1</sup>, Copenhagen Economics identified three types of potential market distortions created by the current UPU terminal dues system: 1. Distortion of competition for (i) last-mile handling and (ii) first-mile handling of cross-border letter post items 2. Distortion of demand for (i) delivery within and outside the terminal dues system, (ii) domestic versus cross-border delivery, and (iii) cross-border delivery originating in transition versus target countries 3. Financial transfers between delivery operators As a follow-up on the previous study, the Postal Regulatory Commission has asked Copenhagen Economics to conduct a quantitative



analysis, estimating the magnitude of the third type of distortion: the financial transfers between designated postal operators currently using the terminal dues system. [This report presents the findings of our research conducted in September and October 2015.](#)

## NATIONAL NEWS

***The Street:*** Amidst the retail sector carnage of the past two weeks, one thing has become abundantly clear: online shopping will be bigger this holiday season than ever before. The interesting thing is that people are not making the connection to what that means precisely. To me, it should read: shopping on Amazon will be bigger than ever before.

***The Register:*** A cybercriminal who ran a mere eBay scam became a more significant collar for the US Department of Justice after he successfully stole the identity of the special agent investigating him. Rohit Jawa, 25, has pleaded guilty to eight counts of wire fraud, and one count of stealing a special agent's identity which he then used to fraudulently gain access to privileged law enforcement databases – from which he stole the personal identifying information of multiple victims. According to court documents, Jawa's mischief began in January 2013. He controlled "a set of at least 19 eBay and 18 PayPal accounts ... engaged in a scheme to defraud eBay buyers and eBay's third-party parcel insurance company". Investigating these fraudulent accounts, agents from the United States Postal Service's Office of the Inspector General (USPS OIG) obtained search warrants to dig into the email addresses. These were hosted by 1&1 Mail and Media, a provider which lets users register multiple addresses under a single account. The agents found "numerous conversations where buyers reported to the seller that they had not received a purchased item, despite Postal Service tracking history showing the item had been delivered."

***NBCRightNow:*** The US Postal Service says people in much of Eastern Washington and North Idaho won't get any mail Wednesday, except for a few parcels. The Tri-Cities and Walla Walla are included, but not Yakima. USPS spokesperson Ernie Swanson says there was a power outage, water and gas leak at a postal sorting facility in Spokane Tuesday night because of the wind storm that hit the area. The building was evacuated and employees sent home. Engineers went to the center Wednesday afternoon to assess the damages. They cleared some of the processing machines to be turned back on, as for the others, they have water damage. Swanson told us most of the sorting happens overnight so mostly all of the mail should be delivered Thursday.

## INTERNATIONAL NEWS

***ROMANIA:Romania-Insider:*** The Romanian Post is negotiating with the European Bank for Reconstruction and Development (EBRD) a EUR 100 million loan. The institution needs the money to invest in its modernization, according to government sources cited by local Profit.ro. The talks with EBRD have started in London in September, after the privatization of the Romanian Post had failed again. The bank has requested the Post several documents about its financial status, according to the sources. EBRD could grant the loan in the following weeks.

***UNITED KINGDOM:Evening Standard:*** Royal Mail has predicted that customers will enjoy cheaper parcel post in the coming year, as capacity in the market continues to put pressure on prices. The UK's privatised postal business struck a confident note ahead of the crucial Christmas season, as it reported a "resilient" performance and said that operating costs had been reduced by 1% and could fall further in the full year. The postal company is facing severe competition in the parcels business but managed to increase parcel volumes by 4%. "Online shopping is here to stay and we don't see that changing in the medium term.

***MALAYSIA:Malaysian Digest:*** The Department of Wildlife and National Parks Peninsular Malaysia (Perhilitan) has crippled a syndicate selling endangered species and other wildlife animals through courier services yesterday following the sellers' active business activities on the internet recently, Harian Metro reports. According to the report, turtles and snakes are the most common endangered species recovered by the department's officers. These wildlife animals were found stuffed inside postal boxes which were enroute to the buyers in Sabah, Sarawak and overseas using courier services. Perhilitan enforcement director Abdul Kadir Abu Hashim said that his department frequently intercepted the smuggling of ball pythons (snake) and Indian Star tortoises in which the sellers tried to deliver them to buyers through the nation's postal services.



**UNITED KINGDOM:***Financial Times:* A larger than expected redundancies bill weighed on Royal Mail's profits in the first half, though it said a programme to modernise the 500 year-old business was on track to deliver greater cost savings. The postal operator blamed higher so-called "transformation costs" as it posted a 31 per cent drop in pre-tax profits to £116m in the six months to 27 September, on revenues down slightly to £4.4bn. During the period nearly 3,000 staff voluntarily left the group's core UK letters and parcels business, where the company expects underlying operating costs to fall by at least 1 per cent this financial year. Moya Greene, chief executive, said: "We have maintained a tight grip on costs and so we think these are very good results. We delivered an unprecedented amount of change."

**MALAYSIA:***Bernama:* ASEAN postal organisations must capitalise on the rapidly expanding world of e-Commerce by providing greater access to international logistics capabilities, infrastructure and delivery networks, as well as end-to-end solution to customers and merchants. Pos Malaysia Bhd (Pos Malaysia) Group Chief Executive Officer Datuk Mohd Shukrie Mohd Salleh said in the face of deteriorating conditions of letter markets due to the global economic and financial crisis, the rise of e-Commerce was indeed good news to all ASEAN postal operators. "An overwhelming majority of goods bought online globally will reach their final destinations via postal and express services. "The increase in volume of parcels domestically and internationally means, customers are relying more on postal organisations to deliver their goods purchased online," he added.

**ASIA-PACIFIC:***Reuters:* A landmark U.S.-backed Pacific trade deal will give a boost to an already booming e-commerce industry in the region, executives at global delivery firms FedEx Corp and Deutsche Post DHL Group told Reuters. The Trans-Pacific Partnership agreement, which seeks to liberalise commerce across 12 Pacific Rim nations accounting for 40 percent of the world's economy, was reached last month. The deal has yet to be ratified by each country. "E-commerce is huge. It's a \$2 trillion (1 trillion pounds) economy in itself," David Cunningham, chief operating officer of FedEx Express, the air and ground delivery arm of FedEx Corp, said on the sidelines of an Asia-Pacific Economic Cooperation summit in Manila.

**UNITED KINGDOM:***Telegraph:* Royal Mail is to expand its parcel operations with the acquisition of the London focused same day delivery company eCourier. The fast growing UK parcel market has become a key battleground for Royal Mail as it seeks to offset the continual decline in the number of letters. Royal Mail expects the £500m a year express courier market to grow as more people order goods online and demand more convenient delivery options. It is currently companies that mainly use the more expensive same day delivery services. Ian Oliver, the chief executive and main shareholder in eCourier, will continue to run the business as part of the wider Royal Mail same day service.

**INDIA:***Accommodation Times:* Use of Global Positioning System (GPS) has been one of the biggest advent in recent times and its growth has been phenomenal in both developed and developing countries including India. As per Netscribes report 2012, with its heightened acceptance with the younger generation using smart phones, it holds a magnanimous potential with expected grow rate of 25-30% for next few years. But even with this huge opportunity, there is a basic problem of accuracy to locate an address. Leaving apart few developed countries like UK, most countries either don't have a postal address system or even if they have its not effective to let users easily enter code on GPS, locate it accurately and navigate to it without being lost. India and other neighbouring subcontinent countries are easy examples of countries which do have a postal index numbering system but that is not efficient and effective enough to pinpoint the location on a digital map. The Postal Index Number (PIN) in India is mapped to a post office and not to an end location. The PIN system is not in tune with the times.

*November 18, 2015*

## **POSTAL/FEDERAL NEWS**

**Mailers Technical Advisory Committee:** The Postal Service has announced that there will be **no "postal price change" scheduled for 2016** -- other than the roll-back of the exigency increase which still is scheduled to occur this year.

**Federal Register: Postal Regulatory Commission NOTICES** New Postal Products , 72118 [2015–29398] [\[TEXT\]](#)  
72117–72118 [2015–29399] [\[TEXT\]](#)

## NATIONAL NEWS

**The Wall Street Journal:** A 71-year-old man has admitted to stealing from the U.S. Postal Service while he was the postmaster of an upstate New York post office. The Post-Standard of Syracuse reports Grover Horn pleaded guilty Monday to using his position at the Martville post office in Cayuga County to steal more than \$6,000 in money orders and cash over several weeks. Horn has been sentenced to a year of probation and 50 hours of community service. He will also have to pay more than \$6,000 in restitution.

**MyCentralJersey:** One former U.S. Postal Service worker from Piscataway and another from Plainfield are among nine current and former postal workers indicted in connection with allegedly stealing nearly \$50,000 in fraudulent unemployment insurance benefits while at work. Nine separate grand jury indictments were obtained by the state Division of Criminal Justice Specialized Crimes Bureau during the last month charging each person with theft by deception, a third-degree crime, according to acting Attorney General John J. Hoffman. Each defendant allegedly collected funds ranging in the amount of \$2,000 to about \$9,000, Hoffman said. If convicted, they each face three to five years in state prison and a fine of up to \$15,000.

**Broadway World:** The Smithsonian's National Postal Museum is unveiling an exhibition of original artwork Dec. 10 titled, "New York City: A Portrait Through Stamp Art." On display through Mar. 13, 2017, 30 pieces of original artwork will be publically displayed for the first time, celebrating the influence of New York City on American society. The artwork is part of the Postmaster General's Collection, which includes more than 5,000 original pieces of art commissioned by the U.S. Postmasters General for stamps issued during a 70-year period. The collection includes not only the final approved art that can be seen on many U.S. postage stamps, but also concept drawings that were submitted for consideration but never used. The collection is owned by the U.S. Postal Service and is on long-term loan to the National Postal Museum. The exhibition provides the museum an opportunity to raise awareness of the collection. The original works will be displayed in six thematic categories relevant to New York City's heritage. These categories-Baseball, Broadway, City Life, Icons, Politics and Music-will showcase a variety of art styles, mediums and colors used to create some of America's most beautiful stamps. The artwork honors important citizens, events and iconic buildings that have defined New York City as one of the greatest cities in the world. The museum has designed a special pictorial postmark that will be available to visitors at the philatelic center inside the museum. "Visitors will have the chance to see original artwork revealing the energy, history and impact of one of the world's most beloved cities," said Allen Kane, museum director. "By seeing New York City through some of its most recognizable facets-including its famous icons-visitors will reflect on their own connections to the city and appreciate the way postage stamps help share and celebrate our nation's history, heritage and heroes."

**The Daily Caller:** The Department of Justice charged 28 individuals in the Texas area Monday with allegedly defrauding \$9.5 million from federal workplace injury programs. The alleged scheme involved a mass network of professionals and healthcare clinics. Those involved targeted worker compensation programs at the Department of Labor (DOL). Medical professionals got workers to fake or exaggerate injuries to qualify for government assistance. They were also assisted by a claims representative within the department. The Office of Worker Compensation Programs (OWCP) was the main office within the department scammed. "These charges are the result of a two-year investigation led by special agents with the U.S. Postal Service Office of Inspector General and the Department of Labor Office of Inspector General," U.S. Attorney John Parker said in a statement. "This office will continue to vigorously pursue those who fraudulently obtain benefits at the expense of those who have a legitimate need."

**Newsday:** The U.S. Postal Service has lost money every year since 2007, and its financial finances aren't likely to improve any time soon. Thanks to declining mail volume due to greater reliance on email and exorbitant labor costs, the postal service loses billions per year despite a range of benefits that include taxpayer subsidies, a government-enforced monopoly on certain types of mail, and exemptions from state and local taxes. Yet rather than contract or privatize the agency, some are proposing the terrible idea of expanding it into new sectors of the economy in order to service a social agenda. This promise of crafting a government agency to achieve both social engineering and financial success is tantalizing, but elusive. The record shows that such dual mandates are a recipe for disaster. Politicians couldn't decide whether Fannie Mae and Freddie Mac should be profitable enterprises or serve political

goals to increase home ownership among the poor. The agencies tried to do both and succeeded at neither, leading to a housing bubble and expensive taxpayer bailouts.

## INTERNATIONAL NEWS

**INDIA:** [UPI](#): The Indian Department of Posts announced residents will soon be able to send mail featuring their own faces with stamps made from customers' selfies. India Post said the "My Stamp" scheme, which is expected to be rolled out by the end of the year, will allow customers to use their own selfies as the photos on a sheet of 12 stamps and users without their own snapshots can have their pictures taken on the spot at post offices. The department said the service would cost \$4.50 and the individual stamps would each be equivalent to a standard 8-cent stamp.

**UNITED KINGDOM:** [Financial Times](#): UK Mail cut its interim dividend by a quarter and warned of a "softened" financial performance next year after further delays to the postal operator's new sorting hub. The company, which competes with the likes of Royal Mail in the crowded parcel delivery market, said that inefficiencies at its new facility and in its transport network had caused additional costs and the loss of customers.

**FINLAND:** [YLE](#): Finland's national postal company Posti, which is embroiled in a labour dispute with its workforce, has announced it would not hire temporary workers during a planned strike that may begin on Thursday.

*November 17, 2015*



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## POSTAL/FEDERAL NEWS

**DMM Advisory: Promotions for First-Class Mail and Standard Mail for Calendar Year 2016** The Postal Service filed with the Postal Regulatory Commission (PRC) seeking approval for five promotions to be held during the 2016 calendar year. The 2016 Promotions are continuations of the calendar year 2015 technology promotions (Advanced and Emerging Technology, Color Transpromo, and Mail Drives Mobile Engagement) and the Earned Value Reply Mail promotion. The promotional program will undergo certain updates – promotion titles will be revised, this year's continuation of the 2015 Advanced and Emerging Technology Promotion will offer an A/B Testing option, and the print technology category of the 2015 Advanced and Emerging Technology Promotion will be presented in 2016 as a stand-alone promotion for Standard Mail. In this filing, available on the PRC website at <http://www.prc.gov/docs/93/93776/Notice and Attachments.pdf>, we provide a detailed description of the eligibility conditions for the promotional programs and the revised mailing standards to implement them, as well as listing the types of mailpieces eligible for each promotion. The first of these promotions is scheduled to take effect on March 1, 2016

### **Postal Regulatory Commission:**

- **R2013-11 Notice of the United States Postal Service of Filing Revenue Collection Report for Quarter 4 of Fiscal Year 2015**  
[http://www.prc.gov/docs/93/93783/ExigSrchgRevCUMLTV\(2Q14-4Q15\).xlsx](http://www.prc.gov/docs/93/93783/ExigSrchgRevCUMLTV(2Q14-4Q15).xlsx)  
[http://www.prc.gov/docs/93/93783/ExigSrchgRevFCM\(4Q15\).xlsx](http://www.prc.gov/docs/93/93783/ExigSrchgRevFCM(4Q15).xlsx)  
[http://www.prc.gov/docs/93/93783/ExigSrchgRevPACK-SERV\(4Q15\).xlsx](http://www.prc.gov/docs/93/93783/ExigSrchgRevPACK-SERV(4Q15).xlsx)  
[http://www.prc.gov/docs/93/93783/ExigSrchgRevPER\(4Q15\).xls](http://www.prc.gov/docs/93/93783/ExigSrchgRevPER(4Q15).xls)  
[http://www.prc.gov/docs/93/93783/ExigSrchgRevREPORT\(4Q15\).xlsx](http://www.prc.gov/docs/93/93783/ExigSrchgRevREPORT(4Q15).xlsx)  
[http://www.prc.gov/docs/93/93783/ExigSrchgRevSPEC-SERV\(4Q15\).xlsx](http://www.prc.gov/docs/93/93783/ExigSrchgRevSPEC-SERV(4Q15).xlsx)  
[http://www.prc.gov/docs/93/93783/ExigSrchgRevSTM\(4Q15\).xlsx](http://www.prc.gov/docs/93/93783/ExigSrchgRevSTM(4Q15).xlsx)  
[http://www.prc.gov/docs/93/93783/Rev\\_Collection\\_Rpt\\_Notice\\_\(Q4-FY15\).pdf](http://www.prc.gov/docs/93/93783/Rev_Collection_Rpt_Notice_(Q4-FY15).pdf)  
**USPS COLLECTED \$3.520B OF \$3.957B OF EXIGENT SURCHARGE.** The USPS has filed with the Commission its latest exigent surcharge report. The USPS has collected \$504.0 million in exigent surcharge revenue in Q4 of FY2015. It has collected \$3.520 cumulative surcharge revenue since implementation. The Postal Service, with the additional \$1.191 billion given to them by the PRC, it has a total exigent rate adjustment of \$3.957 billion in contribution. It still needs to collect \$437 million in contribution before it reaches its total exigent surcharge.
- **R2016-2 United States Postal Service Notice of Market-Dominant Price Adjustment**  
[http://www.prc.gov/docs/93/93776/\(Attachment%20C\).xls](http://www.prc.gov/docs/93/93776/(Attachment%20C).xls)  
[http://www.prc.gov/docs/93/93776/Notice\\_and\\_Attachments.pdf](http://www.prc.gov/docs/93/93776/Notice_and_Attachments.pdf)
- **R2016-1 USPS-LR-R2016-2/2 - Standard Mail Workpapers**  
<http://www.prc.gov/docs/93/93781/R2016-2-2%20Standard%20Mail%20Preface.doc>  
<http://www.prc.gov/docs/93/93781/USPS-LR-R2016-2%202-Standard%20Mail%20Workpapers.zip>
- **R2016-2 USPS-LR-R2016-2/1 - First-Class Mail Workpapers**  
<http://www.prc.gov/docs/93/93779/CAPCALC-FCM-R2016-2.xlsx>  
<http://www.prc.gov/docs/93/93779/R2016-2-1 - First-Class Mail Preface.doc>

**USPS Industry Alert: USPS Shipping Products and Services Webinar Series First-Class Package Service Tuesday, November 24, 2015, 11a.m. – noon (Eastern Standard Time)** Join us as the Postal Service continues to host its series of informational webinars on a variety of products and services. The webinars focus on service enhancements, features, benefits, and onboarding information to acquire the knowledge and skills to effectively use the service. First-Class Package Service turns pounds into ounces for businesses looking to ship a large volume of items weighing less than 16 ounces. Two USPS experts will share their insights into where to access this service and how to calculate your postage. They'll also fill you in on how to add extra services and value added services onto the experience. Speakers: Suzanne Newman, Product Development Specialist Senior Verdonna Hudson, Business Systems Analyst Senior Registration Required. Instructions for participating in the webinar appear below: Attendee Information US/Canada Attendee Dial-in: (866) 381-9870 Conference ID: 33228445 Attendee Direct URL: <https://usps.webex.com/usps/onstage/g.php?MTID=e313adcef5e312057cbde773e3f7f14c9> If you cannot join using the direct link above, please use the alternate logins below: Alternate URL: <http://usps.webex.com> Event Number: 997 888 519

### **NATIONAL NEWS**

**Wall Street Journal:** Online shoppers accustomed to having their packages dropped off by United Parcel Service Inc. and FedEx Corp. increasingly are being visited by rivals that specialize in delivering items such as furniture, appliances and mattresses. Sales of bulky items are rising faster than online orders overall as customers become more comfortable making big-ticket purchases online. Retailers including Home Depot Inc. and Best Buy Co. are fueling the shift with free shipping on goods like patio chairs and washing machines. That trend is sparking a boom in so-called white glove services that involve delivering, setting up or installing large or delicate items. Among the largest of these upstart providers are XPO Logistics Inc., Pilot Freight Services and Fidelitone Inc. These companies and others have gained market share by offering competitive pricing on shipping and throwing in services, such as trash removal and furniture assembly.

[PRNewswire](#): "Citizen Cabinet Survey: Bipartisan Majority Favors Giving US Postal Service More Freedom to Act Like a Business"

On the heels of the news that the U.S. Postal Service (USPS) posted a net loss of \$5.1 billion for FY2015, a new survey of a representative panel of registered voters finds large bipartisan majorities recommend Congress should let USPS act more like a business in ways that would dramatically improve its financial position, according to the results of a Citizen Cabinet survey released today by Voice Of the People. Panelists made their recommendations after being briefed on the fiscal problems facing the USPS and hearing pro and con arguments on various options for the Postal Service proposed by the Postmaster General and under consideration in Congress.

Most significantly, eight in ten panelists recommended dramatically reducing the requirement imposed by Congress to fully prefund future retiree health benefits – a requirement that has put USPS in the red for some years now. Overwhelming majorities found convincing the argument that ordinary businesses do not achieve such a high prefunding level and USPS should not have this unique requirement. However, majorities did not favor eliminating the requirement entirely, but rather lowering it by 20 percent and greatly extending the time allotted to provide funding. Even larger majorities – nine in ten – recommended allowing USPS to provide new non-postal products and services. Panelists were informed that USPS is presently prohibited from offering such products and services and also heard the argument in defense of this prohibition – that it would have an unfair advantage relative to private companies offering non-postal products and services. Large majorities endorsed allowing such services as photocopying, Internet access, money transfers and a highly secure email system.

"Both Republicans and Democrats seem comfortable with the idea of their neighborhood post office being more like a Kinko's," said VOP President and PPC Director Steven Kull.

The Citizen Cabinet panel consisted of 2,256 registered voters including samples of the nation as a whole and three states: Maryland, Oklahoma and Virginia. The survey was conducted by the Program for Public Consultation (PPC), School of Public Policy at the University of Maryland and was fielded July 2 – August 12, 2015. Unlike a standard poll, Citizen Cabinet surveys take respondents through an online process called a 'policymaking simulation' that gives respondents information and seeks to put them in the shoes of a policymaker. The simulation is vetted with Congressional staffers from both parties and other experts before it goes into the field.

Several other options for freeing up the postal service to act more like a business were considered:

- Allowing the Postal Service to lease its unused space in its warehouses, which it is not currently allowed to do – approved by 76 percent, including 77 percent of Republicans and 76 percent of Democrats.



- Closing as many as 5 percent of those post offices that are losing money in a given year – endorsed by two thirds (72 percent of Republicans, 63 percent of Democrats) – though only three in ten are ready to go as far as the Postal Service wants to go, which would be to close the 12 percent of all post offices that are not profitable.
- Ending Saturday letter delivery (while still delivering packages and Priority Mail) – supported by 67 percent, including 75 percent of Republicans and 60 percent of Democrats.
- Permitting postal rates to rise faster than inflation – supported by six in ten, including 56 percent of Republicans and 60 percent of Democrats. "While Congress continues to have trouble finding common ground, a bipartisan majority of citizens is pointing the way to stability for the Postal Service," Kull said.

However, some options were opposed:

Converting most door-delivery mail boxes to curbside or cluster boxes – supported by only 41 percent, including 50 percent of Republicans and 33 percent of Democrats. Offering small-scale individual savings accounts – supported by only 32 percent, including 24 percent of Republicans and 37 percent of Democrats.

**American Postal Workers Union:** The Postal Service's latest financial report, which showed an operating profit of \$1.2 billion, is good news, said APWU President Mark Dimondstein. "The report shows there is absolutely no justification for cuts in service to the American people or to the wages and benefits of postal employees," he said. The Postal Service released the report for fiscal year 2015, which ran from Oct. 1, 2014, through Sept. 30, 2015, on Nov. 13. The results mark the second consecutive year the USPS posted an operating profit of more than \$1 billion and the third consecutive year Postal Service operations were "in the black." The positive financial report is the result of an improving economy and a sharp increase in package volume, Dimondstein noted. "I often say that the Internet taketh and the Internet giveth. First-class mail has declined, but online shopping has triggered an explosion in package volume." In 2015, package volume increased by more than 11 percent over the previous year. The Postal Service continues to show a net loss of \$5.1 billion, "but that's essentially a fraud," Dimondstein said. "The entire loss was the result of a 2006 law that forces the Postal Service to pre-fund health care benefits for future retirees 75 years in advance," he said. The Postal Service is the only entity – private or public – that is required to pre-fund benefits in this fashion. The financial results bode well for the Postal Service and should give added momentum to efforts to develop postal reform legislation that will satisfy workers, customers and major mailers, Dimondstein said.

**Wall Street Journal:** The ratio of inventories to sales at U.S. retailers, wholesalers and manufacturers in September was at the highest reading for that month was at its highest point since 2001. Some companies, including FedEx Corp. and Amazon.com, still are predicting record activity during the holiday season. But the weaker shipping is beating down the earnings of big container ship operators and cutting into pricing and hiring at trucking companies and freight railroads. While shipping companies look for more goods in distribution channels,



retailers aren't getting the sales surge they expected as consumers added up their savings from falling gasoline prices.

## INTERNATIONAL NEWS

**FRANCE:UEFA:** UEFA is pleased to announce the signing of an official partnership with La Poste, national postal operator of France, as the official service provider for postal, parcel and express delivery services for UEFA EURO 2016. La Poste will have exclusive responsibility for delivering 2.5m tickets worldwide in May 2016 via its postmen and women in France, the DPD group express delivery network in Europe and the Chronopost express delivery network for the rest of the world. In doing so, La Poste promises UEFA and all UEFA EURO 2016 ticket holders completely carbon neutral ticket transport and delivery, in accordance with the commitments it made in March 2012 to offset all the carbon emissions of its postal, parcel, express delivery and online services.

*November 16, 2015*



**PostCom** *PostCom Members !! The latest issue of the [PostCom Postal Executive Update](#) is now available online.*

## POSTAL/FEDERALNEWS

### *USPS Office of the Inspector General:*

- **Post-Holiday Blues?** The major carriers have announced price increases for early 2016 but the holiday season is still expected to be a buyer's market. Major retailers will again offer free shipping deals, free returns, and easy in-store pickup for those seeking that option.

Target will cut in half its minimum purchase to qualify for free shipping to \$25, and Best Buy recently announced it has waived its \$35 free shipping threshold through January. Toys R Us is another big holiday retailer slashing its minimum threshold. Walmart is keeping its free shipping threshold at \$50, but hopes to boost online another way with a new mobile check-in feature on its smartphone app. Shoppers who have placed orders in advance for in-store pickup can check in as soon as they enter the store, alerting employees to get orders ready and speed the process along.

And in a further effort to stand out in the online shopping battles, some retailers are extending their "free" offering to returns, including both Target and Best Buy. Even PayPal is getting in on the action. The payment service said it will reimburse its U.S. customers' shipping costs for up to four returns of items purchased during the holidays.

However, a small hangover may await consumers after the holidays. FedEx and UPS announced they will raise list prices by about 5 percent on average in early January. Both companies have also raised their fuel surcharges, despite the plummeting price of diesel fuel. And the Postal Service has proposed a January increase in its competitive products, including a 9.8 percent hike on Priority Mail. Commercial customers that send lightweight parcels under the Parcel Select service will see a whopping 23.5 percent increase on average.

At some point, online retailers will have to pass some of those costs on to customers. But few experts expect free shipping to disappear completely. Too many consumers now simply expect it when they order online, at least for orders of a certain amount or type. Still, retailers will look to recoup increased shipping costs somewhere, possibly baking them into the price of products.

Will you shop online this holiday season? How important is free shipping to you? Do you see your shipping habits changing if retailers pass on the increase in shipping costs to consumers?

## NATIONAL NEWS

**National Postal Forum: Announcing Networking Events for the 2016 National Postal Forum.** In addition to over 100 educational workshops and the mailing and shipping industry's largest exhibit floor, the National Postal Forum believes strongly that the NPF should encourage professionals to share ideas and form new business relationships. A conference should do more than just educate, it should strengthen its target industry as a whole through collaboration and the generation of new partnerships. In that spirit, NPF has several events available to attendees complete with food, libations and entertainment perfect for unwinding with peers and colleagues after a day of workshops and exploring the Exhibit Hall.

**Federal News Radio:** When it comes to political guts within the Hatched (as in Hatch Act) fed family, postal unions tend to be bolder than their sister unions representing white collar civil servants and blue collar workers. And bigger. How else to explain the executive board of the American Postal Workers Union. It voted last week to give the union's considerable support to Sen. Bernie Sanders of Vermont. While the APWU (and most other unions) regularly endorse Democratic candidates, Sanders is an independent-socialist, who lately became a Democrat. And he's a very long-shot both for the nomination, and to actually become POTUS. But the APWU endorsement is a big plus for his campaign. And a shot across the bow to former Secretary of State Hillary Rodham Clinton. Several shots, actually.

**RStreet:** The U.S. Postal Service lost nearly \$5 billion this past year, according to its just-released year-end financial results. As in recent years, the agency did not make the legally required \$5.7 billion payment to its Retiree Health Benefits Fund. The agency is \$15 billion in debt and legally prohibited from borrowing additional funds. The unfunded portion of its retiree-health-benefits obligation is \$54 billion. Revenues increased slightly but mail volume slid by 1.4 billion pieces from last year to 154 billion. The agency has \$6.6 billion of cash on hand, which is better than in recent years and means USPS is in no immediate danger of having to shut off the lights due to lack of cash. The agency's financial results benefited from a temporary emergency price increase and a lower-than-expected employee compensation charge.

**Ecommerce Bytes:** One of the biggest fans of the US Postal Service is uncertain whether he can continue to use it once new rates for parcels go into effect in 2 months. Mitch Goldstone, CEO of ScanMyPhotos in Irvine, California, credits the flat rate Priority Mail box with inventing his entire business, and said so in a USPS video last year. But Goldstone pointed to a 10% increase in his costs under new rates taking effect in January, telling Ecommerce Bytes they jeopardize the benefit of the USPS partnership and threaten his business model.

**Inside Sources:** The U.S. Postal Service has lost money every year since 2007, and its financial finances aren't likely to improve any time soon. Thanks to declining mail volume due to greater reliance on email and exorbitant labor costs, the postal service loses billions per year despite a range of benefits that include taxpayer subsidies, a government-enforced monopoly on certain types of mail, and exemptions from state and local taxes. Yet rather than contract or privatize the agency, some are proposing the terrible idea of expanding it into new sectors of the economy in order to service a social agenda.

**Pittsburgh Post-Gazette:** More recently, the market has been a revolving door for people seeking something else: the growing collection of packages cluttering shelves behind the cash register. About a month and a half ago, owner Mike Mitchell agreed to enlist his store as an "access point" for United Parcel Service. Per the agreement, the Atlanta-based package delivery giant would drop off 25 packages a week; he would store them and hand them out; and the shipping company would pay him 50 cents a package. "It's turned into a lot more packages than that, and more than a one-mile radius," Mr. Mitchell said. The "access point" label may be unique to UPS in Pittsburgh, but such landing places have become widespread as delivery companies face the challenge of moving an ever-increasing slew of goods to customers demanding more options for receiving. Local businesses, rental companies and even college campuses are taking over duties that were traditionally handled by post office staff. Online sales have grown

in recent years faster than sales at brick-and-mortar locations, meaning consumers are depending more on packages arriving on time and in the locations they request.

**Breitbart:** Millions of packages shipped into the country through national post offices aren't being screened by U.S. Customs. Packages sent through private carriers, including FedEx and UPS, are screened, but the failure of the Postal Service and other international public-sector postal services to screen packages presents an unparalleled security risk at a time of heightened terrorist activity.

## INTERNATIONALNEWS

*The latest edition of [Postal Technology International](#) (January 2016) is now available.*

**FINLAND: [Post&Parcel](#):**Finland's Posti has warned that there may be delays in mail delivery this week if a threatened strike by postal workers goes ahead. In a statement posted on its website today (16 November) Posti said that the Finnish Post and Logistics Union PAU will begin industrial action on Thursday (19 November) "if the negotiations fail to deliver results before that".

**LITHUANIA: [Post&Parcel](#):**Lithuania Post has announced that customers can now arrange to collect their postal items from the company's network of LP EXPRESS 24/7 parcel terminals. A spokesperson for Lithuania Post told Post&Parcel: "The main advantage of the service is that the recipient of the postal item can decide the most convenient place to collect the consignment. Up to now, items sent by post were delivered to a post office that serves the recipient's residential area. Now the receiver of the item can decide which self-service parcel terminal LP EXPRESS to use in order to collect the item, irrespective of his residence."

**SINGAPORE: [StraitsTimes](#):** Singapore Post on Monday (Nov 16) announced an organisational restructuring to focus on four pillars of growth - e-commerce, postal, logistics and operations and corporate services - with effect from Dec 1.

**UNITED KINGDOM: [INVEZZ](#):**Royal Mail (LON:RMG) is bracing for postal chaos this festive season, as analysts predict an increase in parcel deliveries. According to industry estimates, almost 300 million packages will be sent this Christmas, a 13 percent rise on last year, as online shopping picks up pace. However, up to 30 million of those deliveries are expected to be unsuccessful.

**LIBERIA: [InProfile Daily](#):** The Post Master General of Liberia, Dr. Frederick Norkeh, has disclosed that the Ministry of Posts and Telecommunications is lobbying with the Universal Postal Union and policy makers within the world postal sector to waive Liberia's arrear in the amount of 1.6m franc. Dr. Norkeh said the ministry incurred the debt since 1979 and it has the proclivity to affect Liberia's membership with the UPU, something he noted, needs to be addressed to enable the country remains on par with other member countries of the Union.

*November15, 2015*

## NATIONAL NEWS

**[Concord Monitor](#):** Across the country and in cities like Seattle, holiday hiring for the big shopping season is expected to reach about the same level as last year – but with some crucial differences. The nature of those jobs is shifting, with more people doing their shopping online and expecting quick deliveries. With relatively low unemployment rates, shipping companies such as United Parcel Service, FedEx and the U.S. Postal Service may have trouble filling all their holiday positions. UPS, which anticipates hiring 90,000 to 95,000 seasonal workers nationwide this year, said it's indeed facing a tighter labor market than in past years.

**[The Bismarck Tribune](#):** North Dakota is a very conservative state. At least, that's what the statistics say. The voting behavior of our congressional delegation, however, casts doubt about this observation, statistics and research notwithstanding. In the U.S. Senate, John Hoeven carries the conservative flag for centrist Republicans. And then

we have Sen. Heidi Heitkamp, who is assumed by both Democrats and Republicans to be a liberal of sorts. The U.S. Postal Service proposed cutting its losses by eliminating marginal post offices across the state. All three members of the delegation came out against the plan even though it meant continued inefficiencies and public costs, an abhorrent situation for any real conservative. But, unabashedly, conservatives Cramer and Hoeven joined Heitkamp on the issue. The unanimity of the congressional delegation suggests that ideology is not important when critical issues are at stake.

*November 14, 2015*

## POSTAL/FEDERAL NEWS

***Federal Register:*** Postal Regulatory Commission NOTICES New Postal Products , 70851 [2015-28880] [[TEXT](#)]

## NATIONAL NEWS

***Eurasia Review:*** "Ralph Nader: For America's Unbanked: Re-Establishing The Postal Savings Bank "

***Christian Science Monitor:*** Postmaster General Megan J. Brennan told The Wall Street Journal, growth won't be enough for the Postal Service without "the enactment of legislation that makes our retiree health benefit system affordable and that provides increased pricing and product flexibility." "The road is difficult for a number of reasons," said Chief Financial Officer Joseph Corbett told the Associated Press. "Without the surcharge, for example, in 2015, we would have recorded a controllable loss of \$800 million, not income of \$1.2 billion. Also, our costs continue to escalate."

***Washington Examiner:*** A \$5.1 billion net loss ordinarily would be a major incentive for a company to make some adjustments. But it appears unlikely that the U.S. Postal Service will see any major changes any time soon despite announcing that red ink Friday. That's not because the postal service's leaders don't think changes are needed; it is that their hands are tied. They can't act without Congress's approval, and while the leaders could fairly be said to have begged for new legislation, lawmakers are a long way from agreeing on any legislation to overhaul the post office.

***Bloomberg View:*** Millions of Americans lack access to reliable, reasonably priced financial services. Perhaps the U.S. Postal Service can help. The U.S. financial system does a poor job of serving people with low incomes. More than a quarter of households, some 68 million adults, turn to a hodgepodge of more or less regulated suppliers of payment, savings and credit services. Choices include prepaid debit cards as well as payday and title lenders, many of which deserve to be called predatory.

## INTERNATIONAL NEWS

***FINLAND: YLE:*** The labour dispute at the Finnish postal carrier service Posti has intensified, despite the efforts of an appointed state conciliator. Workplace tension at the Finland's leading parcel and postal service provider Posti continues into its second week, and instead of finding an accord, it seems the employer representatives and the employees are still farther apart. Posti employees are concerned about a new development, whereby several Posti locations have asked their contract workers to leave if they will not provide training to temp firm SOL's lease contract employees which the employer has arranged to replace workers during the strike. The mail services trade union PAU says the case is unprecedented. "People who have worked for Posti for 40 years have said they have never encountered such a poor personnel policy," said PAU's Chair Heidi Nieminen.

*November 13, 2015*

## POSTAL/FEDERAL NEWS

**Sen. Thomas Carper, Ranking Minority Member, Senate Homeland Security and Governmental Affairs Committee:**

Today, Sen. Tom Carper (D-Del.), ranking member of the Homeland Security and Governmental Affairs Committee, responded to the U.S. Postal Service's reported net loss of \$5.1 billion for fiscal year 2015: "Today's report makes it clear that, despite a growing revenue stream, the U.S. Postal Service continues to suffer significant losses that threaten its future. The Postal Service's package delivery products continue to show great promise but given the institution's longstanding financial and legislative burdens, coupled with an ongoing decline in the volume of First Class mail, this welcome news just isn't enough to get the Postal Service out of the red. The only way to alleviate the Postal Service's financial challenges and take advantage of the opportunities it has to grow in the digital age is for Congress to come together and pass comprehensive postal reform legislation as soon as possible. It is my hope that my bill, the Improving Postal Operations, Service and Transparency (iPOST) Act of 2015, will provide a blueprint for an agreement. iPOST would make comprehensive reforms to stabilize current postal operations, improve service performance, enhance transparency, and put the Postal Service on the path to sound financial footing for years to come. I will continue to work with my colleagues on both sides of the aisle, stakeholders, and the Postal Service to refine this legislation to right the Postal Service and ensure its viability long into the future."

***Postal Regulatory Commission:***

- USPS Preliminary Financial Information (Unaudited), September 2015  
[http://www.prc.gov/docs/93/93766/2015.11.13 September FY2015 Report to the PRC--report.pdf](http://www.prc.gov/docs/93/93766/2015.11.13%20September%20FY2015%20Report%20to%20the%20PRC--report.pdf)  
[http://www.prc.gov/docs/93/93766/Letter\\_PFI\\_September2015\\_20151113161356.pdf](http://www.prc.gov/docs/93/93766/Letter_PFI_September2015_20151113161356.pdf)
- National Trial Balance, September, FY 2015; and Statement of Revenue and Expenses, September, FY 2015  
[http://www.prc.gov/docs/93/93765/Letter\\_NTB-SRE\\_September\\_20151113160128.pdf](http://www.prc.gov/docs/93/93765/Letter_NTB-SRE_September_20151113160128.pdf)  
[http://www.prc.gov/docs/93/93765/National%20Trial%20Balance%20-%20Redacted,%20%20September,%202015%20\(FY%202015\).xls](http://www.prc.gov/docs/93/93765/National%20Trial%20Balance%20-%20Redacted,%20%20September,%202015%20(FY%202015).xls)  
[http://www.prc.gov/docs/93/93765/Statement of Revenue and Expenses - Redacted, September, 2015 \(FY 2015\).xls](http://www.prc.gov/docs/93/93765/Statement%20of%20Revenue%20and%20Expenses%20-%20Redacted,%20September,%202015%20(FY%202015).xls)
- 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/93/93754/2015-11-13%208-K%20Transmittal%20Letter.pdf>  
<http://www.prc.gov/docs/93/93754/2015-11-13%20Form%208-K.pdf>
- Annual Report on Form 10-K "containing the information required by the Securities and Exchange Commission to be included in annual reports on Form 10-K," 39 U.S.C. 3654(a)(1)(B) <http://www.prc.gov/docs/93/93755/2015-11-13%2010-K%20Transmittal%20Letter.pdf>  
[http://www.prc.gov/docs/93/93755/2015-11-13 Form 10-KFY15.pdf](http://www.prc.gov/docs/93/93755/2015-11-13%20Form%2010-KFY15.pdf)

***USPS Financial Update:* U.S. Postal Service Reports End of Fiscal Year Results · Net Loss of \$5.1 Billion; Controllable Income of \$1.2 Billion · Revenue of \$68.9 Billion for Fiscal Year 2015, Up 1.6 percent · Shipping and Packages Services Revenues Up 11.4 percent**

- The U.S. Postal Service reported a net loss of \$5.1 billion for fiscal year 2015 (October 1, 2014 - September 30, 2015). The net loss is largely due to certain statutorily mandated payments over which the Postal Service has no control. Notwithstanding the loss, total revenue was \$68.9 billion for the year, an increase of approximately \$1.1 billion from 2014. Controllable income for 2015 was \$1.2 billion compared to \$1.4 billion last year. Controllable income is defined as net loss excluding expenses related to the mandated prefunding of retirement health benefits, actuarial revaluation of retirement liabilities and non-cash workers' compensation adjustments, which are factors largely outside of management's control. However, despite the year-over-year improvement in revenue and a second year of controllable income in excess of \$1 billion, the Postal Service continues to operate under substantial financial pressure which demonstrates the need for legislative reform. Large net losses continue, and controllable operating expenses increased \$1.3 billion from last year. This was the result of a combination of factors, including higher compensation costs attributable to increased benefits expenses and additional work hours partly associated

with growth in the more labor-intensive shipping and package business.

- Complete financial results are available in the Form 10-K, available at <http://about.usps.com/who-we-are/financials/welcome.htm>. Financial Briefing Postmaster General & CEO Megan J. Brennan and Chief Financial Officer and Executive Vice President Joseph Corbett will host a telephone/Web conference call to discuss the financial results in more detail. The call will begin at 11:00 a.m. on November 13, 2015 ET and is open to the news media and all other interested parties. To ensure your computer is set up to join the event, click on the link [www.webex.com/jointest/](http://www.webex.com/jointest/) US/Canada Attendee Dial-in: (855) 293-5496 Conference ID: 63003141 Attendee Direct URL: <https://usps.webex.com/usps/onstage/g.php?MTID=ed5a1d8da0fa75a16738989ec0979ae0c> If you cannot join using the direct link above, please use the alternate logins below: Alternate URL: <https://usps.webex.com> Event Number: 999 417 786 The briefing will also be available on live audio webcast (listen only) at: <http://about.usps.com/news/electronic-press-kits/cfo/welcome.htm>.

**USPS Industry Alert: USPS Update on Fall Mailing Season Webinar Series November 20, 2015 from 2:30PM to 3:30PM (EST)** The Postal Service would like to update mailers on its fall mailing season readiness plans. On next Friday, November 20, at 2:30 p.m. (EST), Linda Malone, Vice President Network Operations, and her staff will present the final installment of their webinar series to update mailers on important information regarding fall mailing conditions. The Postal Service has been adjusting plans to ensure that mailers have the necessary equipment, transportation, and resources for a successful season. The Postal Service has been working to ensure customer communication plans, mail processing, sort programs are in place and has expanded FAST appointments and has deployed additional equipment to manage volumes and to monitor cycle times. The webinar is designed to give you up to date information and an opportunity to ask questions. If you have suggestions for topics and/or questions to submit in advance please do so by sending it to [IndustryAlert@usps.gov](mailto:IndustryAlert@usps.gov). The Postal Service is committed to working closely with our customers to help them plan their mailings throughout the Fall Mailing Season and we hope that you can join us. Agenda topics will include: § Service Performance § Moving Forward: Fall Mailing to Peak Season § USPS Commitment Participant information is provided below: Attendee Information US/Canada Attendee Dial-in: (866) 381-9870 Conference ID: 46885249 Attendee Direct URL: <https://usps.webex.com/usps/onstage/g.php?MTID=e177549f46cfae4a61280da193a0d14c0> If you cannot join using the direct link above, please use the alternate logins below: Alternate URL: <http://usps.webex.com> Event Number: 995 234 040

**Attention PostalOne!®, SASP, and Business Customer Gateway Users:**

- **PostalOne! Release 41.3.3.0** – PostalOne! Release 41.3.3.0 will deploy on Sunday, November 15, 2015. The PostalOne!/BIDS system will not be available on Sunday, November 15, 2015 from 3:00 AM to 10:00 AM CT.
- **Reminder: The Mail.dat client download 41.1.0.0\_PROD and Mail.dat client download 41.2.0.0\_PROD will be retired with this release.** Mailers can continue to use Mail.dat client downloads 41.3.0.2 or 41.3.1.0.
- **Seamless Acceptance and Service Performance (SASP) Release** will deploy on Sunday, November 15, 2015 between 4:00 AM to 11:00 AM CT. This release includes fixes to known SASP issues to include updates to select Full-Service and Seamless Verifications.

**Federal Register:**

<b>Postal Regulatory Commission</b>	
<b>NOTICES</b>	
New Postal Products ,	
70261 [2015–28881]	[TEXT] <a href="#">[PDF]</a>
<b>Postal Service</b>	
<b>NOTICES</b>	



Product Change:		
	Priority Mail Express and Priority Mail Negotiated Service Agreement ,	
	70261 [2015-28783]	[TEXT] <a href="#">[PDF]</a>

## NATIONAL NEWS

**The Week:** As a longshot candidate facing off in the primary against an opponent everyone still assumes will be the Democratic nominee, Bernie Sanders hasn't gotten a lot of endorsements from prominent politicians or large interest groups. But he got one the other day, from the American Postal Workers Union, which represents over 200,000 workers and retirees. There was really only one reason for it: Sanders' embrace of postal banking. And his position is one Hillary Clinton ought to adopt as her own.

**ABC News:** The Postal Service on Friday reported a \$5.1 billion loss for the just-completed 2015 fiscal cycle — but that's a slight improvement over 2014. The loss reflects continued erosion in the delivery of first class mail as well as expensive mandates for funding retiree health care. There was good and bad news in the Postal Service's year-end results. Revenues were up, and it made an operating profit of \$1.2 billion, reflecting continued growth in its package delivery business. But a special rate surcharge is set to expire next year, which promises to cut revenues by \$2 billion annually, and volume of mail delivery should continue to shrink. Expenses continue to rise despite slower mail delivery. The service is still seeking relief from the mandate to "pre-fund" retiree health benefits. Legislation in 2006 required the Postal Service to fund 75 years' worth of retiree health benefits, something that neither the government nor private companies are required to do.

**Satori Software Press Release:** "USPS® to Implement Sweeping Regulatory Change with Projected \$55 Million Impact Leaving Less than 2 Months to Comply"

**Right Wing Watch:** In a radio interview yesterday, Sen. Rand Paul said that if he were to become president, he would pare down the federal government so much that he might even do away with the U.S. Postal Service.

**National Journal:** Bernie Sanders snagged the endorsement of the 200,000 member American Postal Workers Union on Thursday, giving the Vermont senator a much needed boost in his insurgent bid to defeat Hillary Clinton, who leads the race for labor support. On the surface, the union's backing is hardly surprising: Sanders has been a longtime defender of the U.S. Postal Service and has used his perch in the Senate to fight cuts to mail service and block the confirmations of federal nominees who have supported privatizing the agency. The endorsement is, however, revealing of a larger split in organized labor, driven, in part, by Clinton's long and complicated relationship with unions. Now, as various factions of the movement weigh where to put their support in the Democratic primary, a wedge is appearing between the purists and the pragmatists.

**Seeking Alpha:** 7-Eleven continues to make a strong push into the growing lockers initiative in e-commerce. The company now has lockers for deliveries from FedEx, UPS, Wal-Mart, and Amazon at select locations. Other retailers such as Rite Aid and Walgreens have dabbled with the concept before deciding that the lockers took up too much space in their stores. Also, most chains can't match the scale and long store hours of 7-Eleven. Convenience stores average \$600 in sales per square foot which would need to be made up in locker fees and ancillary sales to make lockers a profitable play.

**Memphis Business Journal:** Memphis-based FedEx Corp. has joined the U.S. Chamber of Commerce Foundation's Hiring Our Heroes Veteran Employment Advisory Council (VEAC). As a member of the council's Chairman's Circle, FedEx will continue to connect military members and their spouses to meaningful job opportunities. FedEx has committed \$150,000 to sponsor hiring events and programming across the country, including \$50,000 in transportation support.

## INTERNATIONAL NEWS

**MALAYSIA:** [\*Bernama\*](#): The Universal Postal Union (UPU), a specialised agency of the United Nations that coordinates postal policies, has offered its hand to assist Malaysia's small medium enterprises (SMEs) to deliver their local products across the globe.

**CHINA:** [\*Xinhua\*](#): Chinese courier firms delivered around 15.6 billion express packages in the first 10 months of 2015, 46 percent more than in the same period of 2014, a postal official said on Friday. By 2020, China is hoping that these companies will handle 50 billion express parcels annually, and generate 800 billion yuan (around 126 billion U.S. dollars) in business revenue, said Ma Junsheng, head of the State Post Bureau, during an international express conference in Hangzhou, east China's Zhejiang Province. Despite a slowing economy, express delivery services have grown steadily in China as online shopping has gained popularity. The industry, in which 200,000 new jobs are being created every year, has helped with the government's target of boosting domestic consumption.

**CANADA:** [\*London CTV News\*](#): Weeks after community mailboxes were installed in parts of London, it seems some are still some issues. At one townhouse complex in the Blackacres neighbourhood, residents are getting frustrated over continuous mail mix-ups. Some residents can't access their mailboxes, others are finding mail discarded on the ground and people are still getting the wrong mail.

*November 12, 2015*

## POSTAL/FEDERAL NEWS

### ***USPS Industry Alert: FAST Escalation Procedures -- Step-by-Step Instructions***

- 1. FAST questions:** send email to: [FAST@usps.gov](mailto:FAST@usps.gov)
- 2. FAST, eInduction, or CSA issues:** call FAST Help Desk at 1-877-569-6614: · Option 2 during normal hours, Mon-Fri, 7:00a.m. to 7:00p.m., Central Time · Option 7 after normal hours, weekends, or holidays for after-hours support
- 3. Local Facility Drop Shipment Issues:**

Call facility coordinator in FAST Facility Profile page  
Call 24-hour facility number in FAST Facility Profile page  
Call FAST Help Desk at 1-877-569-6614, option 2 normalhours, and option 7 after-hours Ø FAST  
Help Desk has been provided additional emergency contactnumbers for Plant Managers and will assist if local issuesare not resolved through local contact.

### ***USPS Office of the InspectorGeneral:***

- **Management of Vacant Properties.** The U.S. Postal Service owns over 8,000 properties and leases over 23,000 properties with annual rents of more than \$800million. The Postal Service Facilities organization oversees these properties, including balancing the real estate portfolio, maximizing revenue, and managing vacant properties. Area and district personnel vacate Postal Service properties due to events such as network optimization efforts, emergency suspensions (environmental or accidental issues), and staffing shortages. As of April 2015, the Postal Service identified 62 vacant leased properties with annual lease amounts of \$2.1 million and 79 vacant owned properties valued at about \$48 million. This was a snapshot in time. We did not evaluate all properties identified as vacant over the past 2 fiscal years and the actions taken by the Postal Service during that timeframe. The electronic Facilities Management System is the official Postal Service record for real property. It should be used to manage all property-related projects. Our objective was to assess the management of vacant properties and identify opportunities for the Postal Service to reduce associated costs.

## NATIONAL NEWS

***PV2020:*** Laura Kusisto's recent WSJ piece "Web-Shopping Deluge Boxes In Landlords" is a fascinating depiction of the power of "B2Me" getting out of control. American consumers are becoming accustomed to buying almost anything and everything online and are expecting to receive their purchases whenever and wherever they want them. Since urban apartment dwellers are often at work when USPS, UPS and FedEx drivers arrive to deliver packages that are too large to stuff into mail-slots, a building doorman, superintendent or other member of the staff must receive and sometimes sign for cartloads of items addressed to dozens of tenants. Then there is the problem of securely storing all the stuff until the correctly identified addressee arrives to collect each item. Packages are literally piling up in lobbies all across America.

***Washington Examiner:*** Bernie Sanders picked up a major union endorsement Thursday from the American Postal Workers Union, or APWU. The announcement is huge for Sanders, as his rival Hillary Clinton is being supported by the first- and third-largest unions in the nation: the National Education Association (NEA) and the American Federation of State, County and Municipal Employees (AFSCME). Also see TheHill.

## INTERNATIONAL NEWS

***UNITED KINGDOM: iNVEZZ:*** Royal Mail (LON:RMG) has secured a three-year contract with Waterstones to handle delivery of all online purchases from the bookseller's website. Royal Mail said in a statement yesterday that under the agreement, online purchases from Waterstones.com will be delivered through the postal service's Tracked 24, Tracked 48 and International services.

*November 11, 2015*

## NATIONAL NEWS

***e-Commerce Bytes:*** Recent news reports show why your package may not arrive (or may not arrive safely) into the hands of your customers. Postal workers, delivery drivers, and independent couriers from around the world are caught mishandling parcels. What's an online seller to do?

## INTERNATIONAL NEWS

***CHINA: Reuters:*** State-owned Postal Savings Bank of China (PSBC) is expected to unveil soon the sale of a 15 percent stake to a group of investors for about \$8 billion, ahead of a planned IPO in Hong Kong in 2016, IFR reported on Wednesday citing people familiar with the plans.

***ITALY: FinancialTimes:*** It is easy to see why the government unloaded a chunk of Poste Italiane, selling just over 38 per cent, for about €3.4bn. [The disposal sends a signal](#) that Italy under Matteo Renzi, prime minister, is sweeping away the cobwebs of inertia that have smothered economic renewal for as long as anyone can remember. Unlike its predecessors, which dithered endlessly over elementary decisions, the Renzi government rolls up its sleeves and gets the job done.

*November 10, 2015*

## POSTAL/FEDERAL NEWS

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***USPS Office of the Inspector General:***

- **Passport Revenue Opportunities** -- Seems Americans have caught the travel bug. Maybe it's because there is more disposable income in a post-recession America, or a more global economy requires more international business travel. Whatever the reason, one result is that passports are a hot commodity these days. The U.S. Department of State says it issued well over a million more passports in fiscal year (FY) 2014 than in FY 2011. That's also a mini-boon to the U.S. Postal Service, which accepted 5.2 million passport applications in FY 2014 alone, earning \$129.4 million in revenue. And the Postal Service has been taking steps that could enhance that profit center. Specifically, in 2013 it initiated a pilot designating five post offices as passport centers. Located in the Pacific Area, these facilities offer expanded service hours and staff dedicated to facilitating the passport acceptance process. (The Postal Service is authorized to accept passport applications on behalf of the State Department. It then sends the passports to the State Department for approval.) The pilot is a success, with revenue at the centers increasing by 150 percent between FY 2013 and FY 2014. Management is planning to expand the effort in FY 2016. In a recent audit we supported the idea of expanding passport centers and identified 181 post offices that have attributes in common with the five existing centers. They're located near either a shopping center or a U.S. border, and their passport-related revenue is already growing, indicating strong demand for passport services in their respective areas. In that same audit we found the Postal Service could raise even more revenue if it were to expand the number of facilities that offer passport photo service in conjunction with passport application processing. We estimated it would have generated an additional \$19.1 million in FY 2014 if just under half (48.1 percent) of all passport applicants had paid for a photo. The Postal Service might also be able to increase revenue by making the price of its photo services more competitive. Currently, it charges \$15, which is as much as 47 percent higher than competitors' fees. Have you used the Postal Service to get a new or renewed passport? If so, tell us about your experience. Would you be more likely to use the Postal Service for passport photos if the price were lower? What other government services are a good fit for the Post Office network?
- **Student Cooperative - Budget & Accounting Team** -- The USPS OIG is seeking students enrolled in college/university programs to fill our Student Cooperative position in the Mission Support, Budget and Accounting Team located in Arlington, VA. The candidate will be assisting in performing a variety of duties by demonstrating knowledge of the related fundamental principles, concepts, and reference materials that will include financial and accounting duties including business case studies and return on investment modeling. The Student Cooperative Program is available for continuous employment throughout the year, while enrolled in school.

***Postal Regulatory Commission:***

- **USPS Quarterly Performance Reports, Quarter 4, FY 2015**  
[http://www.prc.gov/docs/93/93740/First-Class%20Mail\\_Q4.%20FY15.zip](http://www.prc.gov/docs/93/93740/First-Class%20Mail_Q4.%20FY15.zip)  
[http://www.prc.gov/docs/93/93740/Letter\\_QuartPerf\\_Q4FY15\\_20151109153728.pdf](http://www.prc.gov/docs/93/93740/Letter_QuartPerf_Q4FY15_20151109153728.pdf)  
[http://www.prc.gov/docs/93/93740/Package%20Services\\_Q4.%20FY15.zip](http://www.prc.gov/docs/93/93740/Package%20Services_Q4.%20FY15.zip)  
[http://www.prc.gov/docs/93/93740/Periodicals\\_Q4.%20FY15.zip](http://www.prc.gov/docs/93/93740/Periodicals_Q4.%20FY15.zip)  
[http://www.prc.gov/docs/93/93740/Special%20Services\\_Q4.%20FY15.zip](http://www.prc.gov/docs/93/93740/Special%20Services_Q4.%20FY15.zip)  
[http://www.prc.gov/docs/93/93740/Standard%20Mail\\_Q4.%20FY15.zip](http://www.prc.gov/docs/93/93740/Standard%20Mail_Q4.%20FY15.zip)  
[http://www.prc.gov/docs/93/93740/fy2015-q4-performance\\_usps.com-pdf-files.zip](http://www.prc.gov/docs/93/93740/fy2015-q4-performance_usps.com-pdf-files.zip)

**NATIONAL NEWS**

**Press Release:** Pitney Bowes Inc., a global technology company that provides innovative products and solutions to power commerce, today announced the successful completion of its acquisition of Zip Mail Services, Inc., a presort services provider in the Midwest. The acquisition, will result in new Pitney Bowes Presort Services Operating Centers in Chicago and St. Louis and an expanded client-base in Detroit. “This acquisition strengthens our national network of Presort Services Operating Centers. It will allow us to provide mailing solutions to a number of new clients and to expand relationships with existing clients,” said Debbie Pfeiffer, president, Pitney Bowes Presort Services. “We look forward to helping businesses in Chicago, St. Louis and throughout the Midwest manage postage costs, compliance issues and the mission-critical communications that their success depends on.”

**Press Release:** Computerworld’s 2016 list of Premier 100 IT Leaders honors Roger Pilc, Chief Innovation Officer of Pitney Bowes, Inc. (NYSE:PBI) for his leadership and innovative approach to business challenges in the technology industry. Pilc joined Pitney Bowes in 2013 as Executive Vice President and Chief Innovation Officer and leads worldwide engineering, strategic technology and innovation, enterprise growth initiatives and technology alliances.

**Press Release:** Apex Insight has just published a new 120-page report, [Global Parcel Delivery Market Insight Report 2015](#). The Global Parcel Delivery Market Insight Report 2015 provides an analysis of the global parcels market and the trends which are driving it - in particular the growth of online retailing and the delivery challenges it raises - and evaluates the largest carriers.

**eCommerceBytes:** Stamps.com, the leading provider of USPS postage online and shipping software to over 500,000 customers, today released its Complete Guide to USPS International Shipping. The free eBook ([downloadable PDF](#)) includes detailed information and tips to help online retailers shipping packages across the world using the USPS. The information presented in Stamps.com's guide is beneficial for small business owners and e-commerce sellers who are looking to expand their businesses globally and tap into the growing demand for American-made products.

## INTERNATIONAL NEWS

**JAPAN: The Japan Times:** A postal worker who said she was bored with work stashed away 29,000 undelivered parcels and letters over the past two years. The 23-year-old woman in Mitoyo, Kagawa Prefecture, admitted failing to deliver the items, declaring she was “just fed up with the job,” Japan Post Co.’s Shikoku branch said Monday. Her inaction represents a record of sorts: It is described as the largest volume of deliberately undelivered mail since the company was privatized in 2007.

*November 9, 2015*

## NATIONAL NEWS

**TechCrunch:** Deliv is announcing the acquisition of another same-day delivery service, Zipments. Headquartered in Menlo Park, Calif., Deliv works with retailers like Best Buy and Macy’s, as well as startups like BloomThat and Laundry Locker, to offer delivery through a network of independent contractors. Founder and CEO Daphne Carmeli said this allows retailers to move into same-day delivery and stay competitive in an online world without having to build out their own delivery service. “We’re not a consumer site, so I will never compete with my clients, and I will never monetize the data of my clients,” she added. This also helps Deliv avoid some of the complications of building a marketplace business, because it can focus on building up the delivery infrastructure, while the partner businesses worry about consumer demand. As Carmeli put it, “I’m not in the demand creation business, I’m in the supply creation business.”

**Washington Post:** Bernie Sanders message of economic populism and the ills of inequality includes a pledge to save the mail carrier’s door-to-door visit to every home, six days a week — a ritual in American life that’s increasingly viewed as quaint, outdated and unsustainable. The rise of e-mail and the Internet, along with a congressional mandate that forces the post office to pay \$5.5 billion a year to pre-fund the health benefits of future retirees, are threatening the survival of the institution. Since 2007, it has been unable to cover its annual budget, 80 percent of which goes to labor costs. The losses have been staggering. Package delivery has helped gain back some ground.



But postal officials have shrunk the workforce by hundreds of thousands of employees and proposed steep service cuts that include closing post offices, mail-sorting plants and eliminating Saturday delivery. The senator from Vermont has decried those cuts and, buoyed by the politically potent postal unions, led the charge in the Senate to forestall some of them. "Sanders sees the post office as a culturally democratizing force in America," says Jim Sauber, an economist and chief of staff for the National Association of Letter Carriers. "It fits right in with his democratic socialism. He stood up for the postal service when other people just assumed, 'The Internet is killing the post office, let's just dismantle it.'" "From a democratic socialist perspective, Sanders has come at the question of postal issues legitimately," says Gene Del Polito, president of the Association for Postal Commerce, the country's largest group of commercial mailers. "The goals are laudable," Del Polito said. "But the mail doesn't hold the place it once held in society. How are we going to pay for it without cuts?"

**CBS News:** With the U.S. Postal Service closing hundreds of post offices around the country, maybe it's time for it to find new growth opportunities. That's exactly what the nation's largest postal union wants. So, it's pushing the USPS to provide financial services to tens of millions of Americans who aren't served by the nation's conventional banking system. "By some estimates as many as 100 million people have no access to commercial banking," Mark Dimondstein, president of the American Postal Workers Union told CBS MoneyWatch. "Right now these households can lose up to 10 percent of their income to payday loans and others forms of predatory lending."

**Boston Globe:** According to the FDIC, 9.6 million households have no bank account. Another 24.8 million households are "under-banked" — they may have a checking account, but they can't get a credit card or even a small loan, despite often holding steady jobs. They rely on a variety of poorly regulated alternative financial services, including payday lenders, prepaid debit cards, and check-cashing stores. Are you surprised to learn that the unbanked and under-banked are overwhelmingly black or Latino and living in the nation's poorest communities, including the rural South? Shadowy ersatz banks prey on these individuals. The advocacy group United for a Fair Economy estimates that the average under-banked family spends \$3,029 a year in alternative financial service fees and interest. Some states allow short-term payday lenders to charge interest rates as high as 400 percent. Under-banking perpetuates inequality and blocks low-income and minority Americans from credit, housing, and the chance to accumulate wealth. Instead of shutting them out, traditional banks should find ways to be more welcoming to millions of potential new customers. That would pay dividends for everyone.

**Pittsburgh Post-Gazette:** UPS has been expanding its use of the technology that it hopes could save 100 million miles a year from the shipping company's treks around America's cities and neighborhoods. Big shippers like UPS and FedEx Ground have been embracing tracking data as a way to cope with and grow with the prolonged boom in online shopping, even as they work to give customers more specific options for home delivery.

**Wall Street Journal:** Most of the logistics hiring is taking place in the warehouse. Warehousing companies added 5,100 jobs in October, according to the Labor Department, defying weak hiring in other sectors. Trucking added only 400 jobs in October while employment at railroads fell by 200. Warehousing and storage is on a roll, however, and have added 18,200 jobs since June, and 46,100 jobs over the past 12 months. That may be the result of the different directions various segments of the larger economy are showing. The retail sector, which puts a premium on warehousing service, is hiring at fast rate. Industrial business isn't doing so well, with manufacturing employment flat in October and businesses that feed factories either flat or falling.

## **INTERNATIONAL NEWS**

**NORWAY: Security NewsDesk:** Nedap's long-range RFID solution was implemented at most of the sorting facilities of the Norway Post. The key benefit for the Norway Post is the fact that employees can use their existing badge for both access control into their offices and for vehicle access when entering the logistic areas of the distribution centres. The result is a secure, fast flow of vehicles at all the terminals of the Nordic company.

**CANADA: Cantechletter:** Have you got mail? For Canadians who still have residential delivery, it's merely a matter of peeking into the mailbox on their doorstep. But for the 73% of Canadians who have their mail delivered to community mailboxes, not knowing whether to bother making the trip constitutes a major inconvenience. Snail

Inc., of Huntsville, Ontario, has developed a patent-pending sensor technology that detects the presence of a physical object in a mailbox and then alerts users that they've got mail.

**GERMANY: Post & Parcel:** Spring Global Mail in partnership with Postcon has launched a new postal service into Germany for UK businesses. Spring Global Mail said that the new launch will give UK business customers access to a viable alternative mail service provider to Deutsche Post "that reaches every household in Germany through a nationwide daily service operated by 38,000 trained postmen". Postcon is the largest alternative mail service provider in Germany. In 2014, one billion letters were delivered to German households through the Postcon network of 140 delivery partners. Spring Global Mail said that the newly-developed 'Destination Germany' cross-border business service can provide "cost effective and efficient delivery of letters, invoices, direct mail, customer magazines, catalogue and press services for all UK businesses".

**UNITED KINGDOM: Tamebay:** Royal Mail has joined the Government's Exporting is GREAT campaign, with the aim to help UK SMEs harness the power of exporting and reach new international markets. At the launch of Exporting is GREAT in Gateshead, Royal Mail and the UK Government signed a Memorandum of Understanding to formalise the partnership and give UK businesses access to Royal Mail's unique global connections and logistics expertise. Exporting is GREAT is the Government's most ambitious export campaign ever. It aims to inspire and support 100,000 additional UK exporters to sell their goods and services overseas by 2020. SMEs currently account for over half the value of UK Exports and of those businesses which do not export nearly half feel they would need trusted distribution partners in order to start trading internationally.

**SOMALIA - UAE: Zawya:** H.E. Guled Kassim, Minister of Posts & Telecommunications, Somali Minister of Information, Posts and Telecommunications, who was accompanied by Mr. Omar Abdulaiz, Consul of Somali Consulate in Dubai, held discussions with senior EPG officials -- Emirates Post CEO Abdullah Alashram and CEO of EPG Postal Operations Sultan Al Midfa. He expressed confidence that Emirates Post Group could play a key role in facilitating the delivery of mail to and from Somalia, as the country continues to rebuild its postal network, after several years of unrest.

**AUSTRALIA: Post & Parcel:** Postal start-up company Sendle has argued that other companies besides Australia Post should be allowed to deliver to PO Boxes. Sendle has sent a written submission to the Australian Competition and Consumer Commission and it has also launched an online petition through the change.org website. Sendle starts its petition – which it launched three weeks ago – by saying: "Tens of thousands of ordinary Australians and small businesses pay Australia Post handsomely to rent PO Boxes so they can receive their parcels and mail in a secure location. "In many cases, particularly for those people living in rural Australia, it's their only option. But what most people don't realise when they sign up for their PO Boxes is that only Australia Post, and their subsidiary StarTrack, are allowed to deliver to them. What is shocking, is that Australia Post do not mention this limitation in the PO Box terms and conditions." The petition adds: "We strongly believe that by not allowing other postal companies to deliver to Post Office boxes, Australia Post is abusing its monopoly, reducing competition and hurting consumers."

*November 7, 2015*

## **POSTAL/FEDERAL NEWS**

***U.S. Postal Service: Postmaster General and CFO Host Web Call on U.S. Postal Service End of Fiscal Year Results*** When: **Friday, Nov. 13, 2015 at 11 a.m. ET** -- Postmaster General & CEO Megan J. Brennan and Chief Financial Officer Joseph Corbett will host a telephone/Web conference call to discuss the financial results in more detail. The call is open to the news media and all other interested parties. How to Participate: Important Notice: To ensure your computer is set up to join the event, click on the link [www.webex.com/jointest/](http://www.webex.com/jointest/) US/Canada Attendee Dial-in: (855) 293-5496 Conference ID: 63003141 Attendee Direct URL: <https://usps.webex.com/usps/onstage/g.php?MTID=ed5a1d8da0fa75a16738989ec0979ae0c> If you cannot join using the direct link above, please use the alternate logins below: Alternate URL: <https://usps.webex.com> Event Number: 999 417 786 The briefing will also be available on live audio webcast (listen only) at: <http://about.usps.com/news/electronic-press-kits/cfo/welcome.htm>. The Postal Service receives no tax dollars for operating expenses and relies on the sale of postage, products and services to fund its operations.

## NATIONAL NEWS

**TownHall.com:** Is the Postal Service taking its captive customers – those who have no choice but to do business with it – for granted? That’s one of the suggestions of a recent report from the Tax Foundation. It is clear the Postal Service thinks one way about its commercial products and another about the delivery of regular mail on which it has a monopoly. For instance, the Postal Service’s approach to its package delivery business has been to add seven-day-a-week delivery in 650 cities. According to a press release, “Sunday delivery serves the needs of valued customers in today’s busy online world while at the same time, generates new revenue [sic] for the Postal Service.” For regular mail, the Postal Service has focused on cutting its losses. It closed so many mail-handling centers so quickly that late deliveries skyrocketed and Congress finally had to step in and halt the downsizing until delivery times improve. Since 2009, it has pushed to cut Saturday delivery and claimed it could save \$3.1 billion per year by doing so. But this raises a question: “If six-day-a-week mail delivery harms profitability, how does seven-day-a-week merchandise delivery help the bottom line?” the report’s authors ask.

**Government Executive:** The U.S. Postal Service has used a variety of tools to shrink its workforce by nearly 30 percent in the last 20 years, as the struggling mailing agency has attempted to modernize and right size in a new era of communication. A recently released report from the Congressional Research Service detailed the combination of attrition and separation incentives -- and, in one case, a round of layoffs -- the agency used to trim the number of people it employs by more than 250,000 since 1995. To further cut personnel costs, a “primary driver of USPS’ operating expenses,” CRS noted the Postal Service has increased its reliance on non-career employees. Non-career workers serve in time-limited positions, but “can often perform the full range of duties of career counterparts at lower wage rates.” The employees generally receive some benefits, but are not eligible for federal life insurance or participation in the Federal Employees Retirement System.

**American Postal Workers Union:** The American Postal Workers Union has filed an unfair labor practice charge with the National Labor Relations Board (NLRB) in response to the “Stay Survey,” in which the Postal Service asks newly hired non-career employees about their job satisfaction and the quality of their working conditions. The APWU is discouraging Postal Support Employees (PSEs) from participating. Management is likely to use the results of the survey against union members in arbitration over the contract, Industrial Relations Director Tony D. McKinnon explained. The union also objects to the Postal Pulse survey, which is aimed at the entire workforce. The NLRB has ruled that employers may not “attempt to erode a union’s bargaining position by engaging in a direct effort to determine employee sentiment rather than discuss such matters solely with the union.” In addition, an employer cannot try “to determine for himself the degree of support or lack thereof,” which exists for a position that it seeks to advance in negotiations with the employee bargaining representative.” “The ‘Stay Survey,’ is a type of unlawful direct dealing. It undercuts the ability of the APWU to bargain for improvements to the working conditions of Postal Support Employees,” McKinnon said.

**Washington Post:** On Thursday, the text of a major trade deal known as the Trans-Pacific Partnership was released, confirming that the administration has negotiated limits on what post offices can do in the financial space. More precisely, the agreement seeks to curtail what global insurance companies describe as the unfair advantages granted to post offices by governments worldwide. A side letter specifically names Japan Post, which offers insurance products and other financial services to consumers. Insurance is a lucrative business in an aging nation of 127 million people, and Japan Post Insurance earned roughly \$50 billion in premiums last year. “This is an issue that a lot of insurance company and insurance organizations in the U.S. and in other markets have been concerned about for a long time,” said Steve Simchak, the director of international affairs at the American Insurance Association. The group represents property and casualty insurers. “We’re pleased that the TPP creates a framework for reining in the special privileges that post offices that sell and underwrite insurance have enjoyed,” he added. According to the side letter, Japan has agreed to regulate its postal insurance company as a financial-services firm, like private-sector competitors. Simchak argued that previously, only the Ministry of Internal Affairs and Communications had regulated Japan Post Insurance, allowing the entity to introduce new products without subjecting them to the same strict standards that private firms must meet. And Japan will also allow private firms to contract with the post office to sell their products alongside policies issued by Japan Post Insurance.

***November 6, 2015***

## NATIONAL NEWS

**Bloomberg:** Japan Post went public this week and managed to raise \$12 billion, making a national mail carrier responsible for this year's most successful initial public offering. That's a lot of money at a time when mail is disappearing and the U.S. Postal Service, the world's largest deliverer of letters and parcels, is awash in red ink. Perhaps the successful Japan Post IPO will get people in Washington thinking more adventurously again. Congress has to come up with a plan to upgrade the postal fleet, but perhaps this is a moment to think bigger. Maybe it's time for the USPS to pair up with an airfreight company and turn itself into a global package delivery business, just as Deutsche Post and Japan Post have done. This time around the American postal worker unions may not be a problem. Declining mail means fewer jobs. Since 2006, the USPS has eliminated 30 percent of its full-time employees. Privatization is frightening—but just look what happened when the USPS didn't do it.

**PRWeb:** ShippingSidekick.com, your discount shipping headquarters, announced today that it is now offering discount international package shipping in addition to the great rates currently offered on domestic package shipping. The rates are in most cases significantly lower than going to the Post Office or local shipping counter so you save money while also saving time standing in line. Free package pickup at your home or office is included with each international package shipped through ShippingSidekick.com.

**USAToday:** Keep your eyes on your porch Dec. 21 — that's when the U.S. Postal Service expects to deliver more than 30 million packages, the busiest delivery day predicted for the holiday season. The rise in online shopping has package companies bracing for record shipments during the holidays, including the Postal Service, which expects to handle 15.5 billion pieces of holiday mail this year, the agency said Thursday. The Postal Service is hiring 30,000 seasonal workers to handle the overload of mailings, which includes holiday cards and packages. It will also start delivering seven days a week for the four Sundays leading up to Christmas.

**Multichannel Merchant:** The U.S. Postal Service said it expects to deliver about 600 million packages between Thanksgiving and New Year's Eve, an increase of 10.5% over 2014. By comparison, UPS is calling for a similar increase – 10% – while FedEx is projecting a 12.4% holiday bump.

## INTERNATIONAL NEWS

**CHINA: The Wall Street Journal:** China's post-office savings bank is completing a deal to sell a roughly US\$8 billion stake to a group of private investors and plans to raise billions of dollars from an initial public offering in Hong Kong next year, people with direct knowledge of the deal said Friday. Postal Savings Bank of China Ltd, which has more than 40,000 branches across the country and is China's seventh-largest bank by assets, is working closely with China International Capital Corp for its Hong Kong IPO, though no fundraising amount has been fixed. More banks could work on the float at a later stage, the people said.

**SWITZERLAND: Post & Parcel:** Swiss Post has announced that it has now reached a “definitive decision” to put its internal routes up for competitive tender and to buy in services from external transport companies.

*November 5, 2015*

## POSTAL/FEDERAL NEWS

**Attention PostalOne!® SASP, BIDS, and BCG Users:** PostalOne! and the Business Customer Gateway (BCG) – PostalOne! and BCG will be undergoing patching for Linux and security vulnerabilities on Sunday, November 8, 2015 from 2:00 AM to 10:00 AM CT. As a result, some PostalOne! and BCG users may experience brief interruptions to service. Seamless Acceptance and Service Performance (SASP) and the Business Intelligence Data Store (BIDS) – Additionally, SASP and BIDS will also be undergoing patching for Linux on Sunday, November 8, 2015 from 4:00 AM to 10:30 AM CT. BIDS will be unavailable during this time frame. If you have any questions please contact the PostalOne! Help Desk at 800-522-9085.

**Federal Register: Postal Regulatory Commission PROPOSED RULES** Periodic Reporting , 68480–68481 [2015–28127] [[TEXT](#)]

## NATIONAL NEWS

**Quartz:** In her new book, *How the Other Half Banks*, University of Georgia law professor Mehrsa Baradaran traces the historical origins of the US banking system, with particular emphasis on the regulatory shifts that began in the late 1970s. These changes enabled banks to consolidate across state lines and leave less profitable—read poorer—portions of the populace to their own devices. And she puts forth her own modest proposal for how to change the status quo by leveraging an American institution struggling itself to stay relevant: The US Postal Service.

*November 4, 2015*

## POSTAL/FEDERAL

### **USPS Office of the Inspector General:**

- **[Do You Like to Sample New Products Before Buying Them?](#)** -- Businesses use a variety of vehicles to promote their products and services, including television, radio, digital, and direct mail. Businesses spent about \$188 billion on these efforts in 2014. Eleven percent of this was on direct mail—the delivery of advertising material (circulars, product samples, coupons, and catalogs) to mail recipients. Businesses sometimes mail trial-size samples of their products, such as shampoo, detergent, diapers, or food, to entice you to buy in the future. We are interested in your thoughts about product samples in the mail.
- **[Deputy Audit Director/Deputy Audit Evaluator Director - Network Processing and Transportation](#)**  
The USPS OIG is seeking a highly qualified applicant to fill our Deputy Audit Director or Deputy Audit Evaluator Director position on the Network Processing and Transportation Team in the Office of Audit located in Denver, CO.

**Federal Register: Postal Regulatory Commission NOTICES PublicInquiry: Service Performance Measurement Data** , 68336 [2015–28054] [[TEXT](#)]

## INTERNATIONAL NEWS

**JAPAN:** **Bloomberg:** Japan Post Holdings Co. and its two financial units jumped on debut in Tokyo trading after investors flocked to the group's \$12 billion initial public offering. QUICKTAKE Japan Post Shares of the holding company surged 26 percent to 1,760 yen at the close of trading Wednesday in Tokyo. Japan Post Bank Co. climbed 15 percent to 1,671 yen while the insurer soared 56 percent to 3,430 yen. The benchmark Topix index rose 0.9 percent. The debuts mark the culmination of a decade-long political effort to privatize the postal service, following similar efforts in Italy, the U.K. and Belgium. The three-pronged IPO, which was oversubscribed within days of going on sale last month, was mostly sold to Japanese individuals as part of Prime Minister Shinzo Abe's efforts to urge people to invest more of their savings.

**FINLAND:** **YLE:** On Monday national postal service workers walked out in protest against Posti outsourcing its work and forcing staff members to train the temp workers. Mail deliveries will experience severe delays in coming days.

**NETHERLANDS:** **Post & Parcel:** Herna Verhagen, the CEO of PostNL, commented: "We have made significant progress in transforming PostNL into an efficient, flexible, customer oriented and financially healthy company over the past few years. By building on our core competences, we are prepared for the continuously changing markets in which we operate. At the same time, we have strengthened our quality, customer satisfaction and employee engagement, creating an attractive place to work for our people and a company that is committed to making the lives of our customers easier. "Our 2020 ambition is being the postal & logistic solution provider in chosen markets. This overall ambition is being supported by the focus within our segments.



**CANADA: [Post & Parcel](#):** “Traditionally, mass merchants and fashion retailers have generated the bulk of e-commerce parcel growth,” said Canada Post. “But as Canadians transition from being first-time to frequent shoppers and eventually hyper shoppers (11+ times annually) they are branching out and buying different kinds of items online. Here, the data points to the emergence of three new e-commerce growth sectors: Toys/Hobbies (21%) e-commerce parcel volume growth; Office Supplies (15%) and Sporting Goods (11%).” Commenting on the data, Danielle Doiron, Director of Parcel Market Development, Canada Post, said: “As Canada Post delivers two out of every three parcels we’re committed to supporting retailers to help them make the most of the online opportunity. To do this, we offer not only convenience-based delivery solutions, like FlexDelivery, but relevant research to help them better understand and maximize the current e-commerce growth opportunity.” As Post&Parcel reported last Wednesday, Canada Post has just launched a new concept drive-thru and parcel pick-up store in Richmond Hill, Ontario, which is focused on catering to the needs of the online shopper.

**November 3, 2015**

## POSTAL/FEDERAL NEWS

### **Postal Regulatory Commission:**

- CP2016-9 Comments of the Parcel Shippers Association (PSA)  
[http://www.prc.gov/docs/93/93699/CP2016-9\\_PSA\\_Comments11-3-15.pdf](http://www.prc.gov/docs/93/93699/CP2016-9_PSA_Comments11-3-15.pdf)

### **Federal Register:**

<b>Postal Regulatory Commission</b>	
<b>NOTICES</b>	
Amendment to Postal Product ,	
67805 [2015–27971]	[TEXT] <a href="#">[PDF]</a>
<b>Postal Service</b>	
<b>NOTICES</b>	
Change in Rates and Classes of General Applicability for Competitive Products ,	
67906–68124 [2015–27763]	[TEXT] <a href="#">[PDF]</a>

## NATIONAL NEWS

**[NextGov](#):** Following the cyber intrusion at the U.S. Postal Service last year, which compromised the personal information of more than 800,000 current and former employees, the agency says it now wants to use predictive systems to stop the next cyberattack. That’s just one of many projects emerging from the agency’s Data Science and Exploration office. It’s also trying to use sensors to make its physical operations more efficient, pinpointing the number of employees needed for a predicted number of packages about 10 days in advance. Dan Houston, manager of the data office, spoke with Nextgov about these and other upcoming technology efforts at USPS.

## INTERNATIONAL NEWS

**KENYA: [AllAfrica.com](#):** Postal Corporation of Kenya (Posta) is eyeing the transport sector in a bid to grow its revenue. The company is looking to introduce a fleet of the "post liner" buses to serve both passenger and parcel businesses across the country.

**SCOTLAND: [Island News and Advertiser](#):** Isles MSP Alasdair Allan today welcomed the Scottish Government’s call for fairer parcel charges for rural and island areas of Scotland. In line with the recommendations of the recent Citizens Advice Scotland’s (CAS) report The Postcode Penalty: The Distance Travelled, the Scottish Government is

supporting CAS in holding a Scottish workshop on potential practical measures to address parcel delivery issues in the Highlands and Islands. This is likely to take place in early 2016.

**AUSTRALIA:** *International Business Times*: Marking a major diversification from its conventional business of postal services, Australia Post has announced the launch of an investment fund. Accordingly, Australia Post will invest \$20 million to mentor e-commerce start ups in partnership with Melbourne University. The investment funds will be managed under the Melbourne Accelerator Program. The preferred segments for funding will be shopping, deliveries, communications, payments and transactions. Eligible start up applicants will receive \$20,000 in funding and office space, reports Startup Smart. According to Australia Post's managing director and group CEO Ahmed Fahour, the fund will scale up to more than \$100 million in the coming years.

**CANADA:** *CBC*: Parcels coming to Stephenville will take the long way around, as Canada Post makes changes that will also result in layoffs in western Newfoundland. The president of the Canadian Union of Postal Workers in Stephenville, Rick Nippard, says it's been an emotional roller-coaster for his members. Nippard said the shelving of a plan to stop door-to-door delivery will save five letter carrier jobs. However, other cuts won't be reversed. The town used to be a "parcel hub", which meant all packages coming to the island would go straight there for sorting.

**INDIA:** *Forbes*: A declining state-owned firm has received a new lease of life on account of India's e-commerce boom. India Post, the world's largest postal system with 154,882 post offices staffed by 460,000 employees handling over six billion pieces of mail annually, has begun to flourish after offering deliveries to a host of leading online retailers including Amazon India, Snapdeal, Paytm and Shopclues. At a time when online retail is booming, India Post's wide reach, its well-entrenched network and a huge team of 150,000 postmen are proving to be reliable delivery partners in a logistics-starved country. The system is particularly useful to meet growing demand in rural and semi-rural markets where online shopping has begun to take off. "India Post's zip code coverage of tier 3 and tier 4 locations is unmatched," says Vishal Sharma, vice president of operations at Shopclues, headquartered in Gurgaon outside New Delhi. Within a year of partnering with the postal system, India Post already handles a tenth of Shopclues deliveries. "About two-thirds of these deliveries are in areas where no other logistics providers exist," says Sharma.

**FINLAND:** *Famagusta Gazette*: Postal workers in Finland on Monday staged strikes in several places across the country, and may cause massive delays of mail deliveries in the next few days. Hundreds of postal workers walked out of their works in Helsinki, Vantaa, Turku, Oulu, Jyväskylä, Kemi and Seinäjoki, to protest against Posti Group's outsourcing its services and forcing its staff members to train temporary workers. The walkouts may seriously affect mail deliveries in the coming days, said Finnish national broadcaster Yle. According to Finnish Postal and Logistics Union PAU, organizer of the walkouts, post offices use more and more temporary workers from outside instead of Posti Group's own employees.

*November 2, 2015*

## **POSTAL/FEDERAL NEWS**

**USPS 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: Postage Evidencing Systems - Revised Procedures for Collection of Postage Discrepancies We revised [604.4.0](#) to modify procedures for the collection of postage discrepancies for customers using Postage Evidencing Systems. We published this information in the July 23, 2015, Postal Bulletin. Clarification of Scans as Evidence of Mailing and the Placement of Collect on Delivery (COD) Forms We revised [503.1.0](#) and [609.3.0](#) to clarify that USPS® physical scans can be treated by the Postal Service as evidence of mailing when postage and extra service fees are paid online for purposes of indemnity claim review. We published this information in the August 6, 2015, Postal Bulletin. Premium Forwarding Service Commercial We revised [507.3.0](#) to update the standards for Premium Forwarding Service Commercial® (PFS-Commercial®) service. We published this information in the August 20, 2015, Postal Bulletin. Business Reply Mail (BRM) We revised [505.1.0](#) to clarify that

letters (cards), flats, and parcels are eligible to be returned under basic BRM and high-volume BRM. We published this information in the September 14, 2015, Postal Bulletin.

[Senator Thomas Carper: "Reforming the Postal Service"](#)

**The Problem:** The United States Postal Service is an important part of our everyday lives and a critical engine for the American economy. However, the organization faces financial challenges that threaten its long-term viability. Due to thriving package delivery growth and an aggressive, yet unpopular, effort to cut costs, the Postal Service generated a positive net operating income in FY 2014 and will likely do so again in FY 2015. However, the agency continues to hemorrhage billions of dollars due to onerous prefunding requirements for future retiree healthcare obligations and the continuing decline of First-Class Mail volume. We can't stand idly by and let an institution that operates at the center of a \$1.3 trillion industry and employs more than eight million people falter. Now is the time to provide a series of sensible and balanced reforms to this critical component to our economy, and fix its serious, but solvable challenges for the long-term.

**The Solution:** The Improving Postal Operations, Service and Transparency Act of 2015 (iPOST) provides a comprehensive package of reforms to place the Postal Service on firm financial footing, stabilize and improve service performance, allow for the development of new products and services, and enhance transparency.

**USPS Industry Alert: USPS Shipping Products and Services Webinar Series Bound Printed Matter Parcels Tuesday, November 10, 2015, 11a.m. – noon (Eastern Time)** Join us as the Postal Service continues to host its series of informational webinars on a variety of products and services. The webinars focus on service enhancements, features, benefits, how to get started, and onboarding information to acquire the knowledge and skills to effectively use the service. Two USPS specialists will discuss the most recent updates in shipping large amounts of books, catalogs, directories and other bound materials. Speakers will also go over the features, benefits and eVS processing associated with Bound Printed Matter Parcels, as well as label and service type code information. Speakers: Karen Ward, Manager Shipping Solutions Henry Chau, Senior Information Support Specialist Registration Required. Instructions for participating in the webinar appear below: Attendee Information US/Canada Attendee Dial-in: (866) 381-9870 Conference ID: 33228444 Attendee Direct URL: <https://usps.webex.com/usps/onstage/g.php?MTID=e4fbb4d68a005097e17ceb57182a53243> If you cannot join using the direct link above, please use the alternate logins below: Alternate URL: <http://usps.webex.com> Event Number: 998 720 905

**USPS Office of the Inspector General: [Co-opetition in Parcel Delivery: An Exploratory Analysis](#)**

The parcel market is currently undergoing dynamic change as e-commerce and changing consumer demand has led to an explosion in parcel volume. This new demand has led to a flood of new entrants. Not only has this increased demand for parcels benefitted the providers of parcel services through increased volume, it has also changed the relationship between the players in the market. In order to remain competitive, firms are beginning to collaborate with their once rivals — providing processing, transportation, or delivery for each other — something we refer to as co-opetition. For example, both UPS and FedEx use the U.S. Postal Service to provide last mile delivery for a significant portion of their ground parcels. In light of this evolving dynamic, the U.S. Postal Service Office of Inspector General (OIG) invited Dr. John C. Panzar, professor of economics, University of Auckland, to examine the economic efficiency of co-opetition and the relationship among the crowded field of players. This paper provides Professor Panzar's analysis, and we present a few of his key findings below.

Professor Panzar finds a potential "win win win" situation when the Postal Service enters into a negotiated service agreement (NSA) with a large private parcel carrier. The Postal Service benefits through earning additional revenues through the provision of last mile delivery, the private package carrier benefits from having a lower delivery cost, and all of this occurs without the customer having to pay a higher price. In fact, it is possible that co-opetition can lead to an overall

price decrease for the customer. This result occurs because through co-opetition the Postal Service and the private parcel carrier create the more efficient end-to-end parcel delivery service. The private firm provides the more efficient mail processing and transportation, and the Postal Service provides the more efficient delivery portion. If efficiency gains are high enough, co-opetition can lead to overall lower end-to-end (E2E) prices for parcel customers. How the profits are split between the Postal Service and the private parcel carrier depends on the relative bargaining power of the two.

Under the assumptions of Professor Panzar's model, the greatest efficiency is obtained when upstream parcel volume is handled by the private sector but delivered by the Postal Service. In fact, Professor Panzar shows that the presence of the Postal Service in the parcel market has the important pro-consumer consequence of reducing the market power enjoyed by a private parcel carrier. In cases where the Postal Service has a small E2E cost disadvantage relative to its private sector competitor, its potential entry serves to put an upper limit on the price this competitor can charge. And this is true even if the Postal Service were to get none of the E2E parcel volume. This is less true, of course, where the private parcel carrier can differentiate its product from that of the Postal Service, by offering such measures as better tracking or superior acceptance.

Professor Panzar also analyzes the impact of the presence of a large mailer, with the capability of self-delivery. The Postal Service and the private parcel carrier now have to compete for the large mailer's volumes. He finds that it remains possible for the Postal Service and the private parcel carrier to negotiate an efficient NSA — one where the private parcel carrier provides the upstream processing and the Postal Service provides the delivery. He also finds that as a result of the competition, the large mailer's shipping costs go down and, as a result, total carrier profits decline. In addition, the presence of the large mailer affects the terms of the NSA. Since the private parcel carrier knows that the Postal Service can compete directly for the large mailer's delivery volumes, the Postal Service's NSA bargaining power may improve. This may mean it can obtain a larger share of the (lower) carrier profits. These gains come at the expense of the private shipper, not from mailers.

While this paper is based on theoretical models, as often the case in economics, the theory follows practice. The co-operative agreements that are analyzed in this paper have been in place for some time. The theoretical analysis provided in this paper provides some insights into the benefits of the Postal Service entering into co-opetition with its competitors — most importantly, that these arrangements are if anything, beneficial to customers through lower prices.

## NATIONAL NEWS

***Houston Chronicle:*** UPS is deploying 18 electric delivery trucks to the Houston area, eliminating the need for 1.1 million gallons of diesel fuel over the next 20 years. The trucks are in addition to UPS's fleet of hybrid and natural gas vehicles, that are improving fuel efficiency and reducing emissions in the Houston area. But they only scratch the surface of what's possible. The vehicles are coming to Houston as part of efforts to improve air quality, since pollution levels currently exceed what is allowed under federal law. UPS got some help from the Department of Energy to purchase the electric trucks, that are part of a project to design new electric vehicles for the tough, start-stop duty of a delivery vehicle.

## INTERNATIONAL NEWS

***AUSTRALIA: The Telegraph:*** Drones could be the future of the postal service after Australia Post announced it would be trialling airdrop deliveries next year. Australia's national postal service will be using the technology in 2016 to deliver parcels to rural communities, it has been announced. Outlining his future vision of the postal service, Fahour said Australians could soon also see 3D printers at post offices. "Some things you want, like household items, could be printed right there and then rather than waiting for it," he said.

**ROMANIA:** [Actmedia](#): Posta Romana and Nextebank signed an agreement which finalise the negotiations on the The signing of this agreement means the passing to a new stage of one of the key projects in the strategy of development of the Posta Romana. The introduction of banking services dedicated to the traditional clients of the Posta allows the national operator of postal services to diversify the portfolio, compulsory condition on a market where the classic post office increases the decline. Moreover, the project contributes to the reduction of the share which is represented by the non-banked population in Romania, in the context where Posta Romana is one of the companies with the most extended the territorial networks, including in the rural area' said, in the quoted press release Alexandru Petrescu, the general director of Posta Romana. margin of the draft for the implementation of the banking system in the postal network, the project going to be sent, in the following days, for analysis and approval, the BNR announced on Friday in a press release, the National Company 'Posta Romana' (CNPR).

**SOUTH AFRICA:** [East Coast Radio](#): Parliaments's Portfolio Committee on Telecommunications and Postal Services says it will be checking in on the struggling SA Post Office on a weekly basis, following an urgent meeting with its management yesterday. The committee's chairperson Mmamoloko Kubayi says at the meeting, management briefed the committee on the problems the post office is facing. Last week post office staff in Gauteng embarked on a one-day strike over a number of issues, including that workers were paid only half of their salaries earlier this month by the cash-strapped parastatal. The Post Office said it would pay out the rest of their salaries month-end.

**CANADA:** [Toronto Sun](#): For years, Canada Post has been telling us that continuing door-to-door mail delivery made no sense in the age of the Internet, given the dramatic reductions in traditional mail. That without taking drastic action, the crown corporation would become a dead weight around taxpayers' necks. For that reason, it embarked on a rescue plan to save itself. This included a dramatic increase in the cost of mailing letters, eliminating door-to-door delivery for the one-third of Canadian households that still have it and laying off 8,000 employees by attrition. Then the federal election happened and Canada Post slammed itself into reverse, putting an immediate moratorium on its own rescue plan. This given that in his election platform, Trudeau said it was "unacceptable" that "by ending door-to-door mail delivery, Stephen Harper is asking Canadians to pay more for less service." The postal workers' union, in a bid to save jobs, has proposed the illogical idea of having the post office expand into areas beyond its core mandate, such as banking. Canada Post makes money, for now. But its rescue plan was its own admission that its long-term economic prospects are grim. We believe Canada Post should be reduced to a small public service agency, continuing to deliver mail to remote communities and to Canadians who cannot get to community mail boxes, such as the disabled and elderly. But what it looks like will happen under Trudeau is that the post office will limp along, eventually becoming a financial burden to taxpayers in favour of appeasing special interest groups.

*November 1, 2015*

## **NATIONAL NEWS**

[WPTZ](#): Leaders of three New Hampshire unions announced their endorsement of Senator Bernie Sanders in the Democratic presidential primary. The American Postal Workers Union in New Hampshire, International Brotherhood of Electrical Workers Local 490, and the Service Employees International Union Local 560 in Hanover are all backing the independent from Vermont.

[The Community Word](#): Letter Carriers, USPS work on funding retiree health care. Representatives from the Letter Carriers union and the U.S. Postal Service have agreed on a proposal to fund health care for workers and retirees, National Association of Letter Carriers President Fredric Rolando says, and it would end a big red ink drain on USPS. The proposal would eliminate the \$5 billion yearly drain for future retiree health care payments, instead having all future USPS retirees sign up for all parts of Medicare once they're 65, rather than keeping them in a USPS-funded system. Solving the problem is important for USPS workers plus customers because, at the behest of President George W. Bush, the GOP-run Congress in 2006 imposed an annual USPS pre-payment of future retirees' health care benefits. That sent the USPS spiraling into debt. Former Postmaster General Patrick Donahue responded by slashing services, slowing the mail, closing Post Offices and sorting centers, scheming to fire 100,000 full-time unionized postal workers — replacing many with minimum-wage part-time Staples workers — and letting another 100,000 go by attrition. "This is a good first step towards positive postal reform that recognizes the needs of the employees and the employer," Rolando said, "but we'll need to tread carefully as we progress further."



***The Motley Fool***: Last week, pilots at package delivery giant United Parcel Service voted to authorize a strike if negotiations with the company break down. The pilots still need to be released from negotiations by the National Mediation Board for a strike to be legal, something that rarely occurs. As a result, UPS has characterized the strike vote as merely "a symbolic gesture" by the union. While it may be a symbolic gesture, it's not a meaningless one. With the threat of a pilot strike during the busy holiday season -- even if it's a low-probability outcome -- and UPS drivers promising to support any pilot strike, customers could worry about relying too heavily on UPS. FedEx may be able to capitalize on this uncertainty to gain market share.

## **INTERNATIONAL NEWS**

***SOUTH AFRICA***: ***SABC***: Parliament's Portfolio Committee on Telecommunications and Postal Services will hold an urgent meeting with the leadership of the South African Post Office and government officials on Saturday. The meeting comes as the Post Office is plunged into financial and leadership challenges.