



## **Association for Postal Commerce**


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### **Postal News from December 2010:**


*December 31, 2010*


 The [Yemen News Agency](#) has reported that "General Authority for Post and Postal Savings has prepared an exceptional plan to protect transferring, cash storage, postman and post offices for 2011. The plan aims to enhance the security aspects in transferring and handling money and prop up aspects of inspection and control over parcels and international mail."


 [Sify News](#) has reported that "Almost 10 months after he was caught taking bribe, the Anti-Corruption Bureau (ACB) of the Central Bureau of Investigation (CBI) Friday filed a chargesheet against former chief postmaster general of Maharashtra and Goa Manjit Singh Bali, an official said. Chargesheets have also been filed against father-son duo Arun Dalmia and Harsh Dalmia under various sections of the Prevention of Corruption Act, 1988."


 [News On News](#) has noted that "Plaid Cymru's Hywel Williams MP has said that the challenging Christmas weather this year showed why the Royal Mail, whose universal service obligation ensures that deliveries continue in all conditions, was so important."


 [Fox News](#) has a story on the top 5 business blunders of 2010. At number five, United States Postal Service: A Failure of Management "It might seem unfair to start the list with a government bureaucracy. However, the USPS is that rare government bureaucracy that performs a valuable business service (as opposed to an administrative service) for everyone and doesn't receive any tax revenue to operate. In other words, the USPS is supposed to function like a business."


 The [Appalachian News Express](#) has noted that "According to the new price chart issued by the U.S. Postal Service, the prices for mailing some packages using the postal service's priority mail and express mail delivery will increase between 3.9 percent and 5 percent, effective Jan. 2, 2011." See also the [Birmingham News](#).


 The [Philadelphia Inquirer](#) has reported that "If things had gone according to plan, postage stamps would cost 2 cents more the day after New Year's. But things aren't exactly going according to plan these days for the U.S. Postal Service, whose business has gone from booming to blown-to-bits in a few short years. Just listen to Postal Service spokesman Greg Frey, a 30-year veteran in Washington, as he explains what's at stake for the venerable agency, which got its start under Benjamin Franklin in 1775: "We have extreme liquidity issues, and in spite of our best efforts to cut costs," Frey said, pausing, "we just are struggling here."


 According to the [Postalnews blog](#), the above story is just "Another columnist that gets it backwards on USPS finances."


 The [Leader-Post](#) has reported that "Mail went undelivered to 1,800 Saskatoon homes and businesses this week as vacation schedules, a flu bug and ongoing staff shortages took their toll. A Canadian Union of Postal Workers official said Canada Post is not hiring and scheduling enough workers, but a Canada Post spokeswoman said Wednesday's situation was the result of a highly unusual combination of circumstances."

 The [National Association of Postmasters](#) (NAPUS) has told its members that "NAPUS President Bob Rapoza has received a response from Postal Service Vice President of Labor Relations, Doug Tulino, concerning our discussions on Postmasters'™ convention leave for 2011. Mr Tulino said that Postmasters'™ convention leave, as outlined in Section 519.62 of the Employee and Labor Relations Manual) (ELM) will continue to be suspended through FY2011."


 [Hellmail](#) has reported that "Spring have successfully expanded their Reverse Logistics network by adding Hungary to their local postal returns solution, making it the 19th European country in which this service is available. This service allows end users in Hungary to return any item up to 30 kilograms with a maximum size of 300 centimeters (l+h+w) without any hassle or cost."

 The [Washington Post](#) has noted that "Not so many years ago, the task of sending census statistics to the states so they could redraw voting districts involved trips to the loading dock. Cathy McCully, who heads the redistricting data division, often was on hand to oversee the mailing of boxes stuffed with computer printouts for politicians and cartographers to pore over. But in a theatrical touch, the data will be delivered overland to the states the day before it's made public, mostly via Federal Express. "They've got very good tracking and next-day delivery," McCully said of the selection of FedEx over the U.S. Postal Service, which will be tasked with delivering census data to Indian reservations."

 **DMM Advisory: New Postage Statements Effective January 2, 2011** As the January 2, 2011 is approaching, USPS' systems are in a ready mode and we are ready to work with you to accept mail using the new postage statements. We appreciate the efforts of the software vendor community to ensure their clients also are ready for implementation. We are especially excited about the new products we are launching, along with various other expansions/enhancements of existing product lines. Just in case some of you encounter difficulty getting your customized software ready, please contact your local acceptance office or Manager of Business Mail Entry to determine the best solution. Mailers using the Electronic Verification System (eVS) for manifesting who are having difficulty should contact their Strategic Account or Business Alliance Manager for assistance.

 [Federal Times](#) has noted that "The U.S. Postal Service has frequently failed to justify millions of dollars worth of "workshare discounts" given to mailers for efficiency reasons and other grounds, a newly released audit by the USPS inspector general has found. Under the discount program, mailers get reduced postage rates in return for preparing, sorting or transporting mail. The Postal Service is supposed to come out ahead by saving more in avoided costs than it loses from lower rates. A 2006 law allows for some exceptions, however, as when postal officials believe that reducing or eliminating the discount would get in the way of efficient operations. But in 2009 the Postal Service failed to properly justify 19 out of 30 workshare discounts that exceeded avoided costs by \$104 million, the IG found. Almost all of those 19 were allowed under the efficiency exception, but the Postal Service "did not identify specific operations that would be impeded, or quantify the potential impact of setting workshare discounts equal to or less than avoided costs," according to the Dec. 23 audit, which was released Thursday. The Postal Service also did not provide data for some educational, cultural, scientific or other informational mail to prove their discounts were necessary, the report said. Without adequate justification, the inspector general found, some mailers could benefit from discounts at other mailers' expense. And excessive discounts could cost the Postal Service money and lead to inefficiencies in mail processing, the report said."

*December 30, 2010*

 **DMM Advisory: IMb Services Update. *PostalOne!* Release 26.0** will be deployed to production environment on Sunday, January 2, 2011. The *PostalOne!* Production environment (including FAST OPS web services) will not be available from 9:00 p.m. CT, Saturday, January 1, 2011, through 8:00 a.m. CT, Sunday, January 2, 2011.

**PostalOne! Release 26.0** will be deployed to the *PostalOne!* Test Environments for Mailers (TEM) on Monday, January 3, 2011. The *PostalOne!* TEM environment (including FAST OPS web services) will not be available on Monday, January 3, 2011, from 4:00 a.m. CT through 3:00 p.m. CT.

Details on all *PostalOne!* Release 26.0 features can be found on RIBBs using the following link:

[http://ribbs.usps.gov/intelligentmail\\_guides/documents/tech\\_guides/postalone\\_releasenotes/postalone\\_releasenotes.htm](http://ribbs.usps.gov/intelligentmail_guides/documents/tech_guides/postalone_releasenotes/postalone_releasenotes.htm).

**FAST Release 15.2** will be deployed to the Production environment on Sunday, January 2, 2011. The FAST Production environment will not be available on Sunday, January 2, 2011, from 4:00 a.m. CT through 8:00 a.m. CT.

**FAST Release 15.2** will be deployed to the FAST Test Environments for Mailers (TEM) on Monday, January 3, 2011. The FAST TEM environment will not be available on Monday, January 3, 2011, from 8:00 a.m. CT through 12:00 p.m. CT.

Details on FAST Release 15.2 can be found on the FAST website using the following link:

[https://ribbs.usps.gov/fast/documents/tech\\_guides/FASTRelease/](https://ribbs.usps.gov/fast/documents/tech_guides/FASTRelease/).



These reports have been posted on the U.S. Postal Service Office of Inspector General website (<http://www.uspsoig.gov/>). If you have additional questions concerning a report, please contact Agapi Doulaveris at 703.248.2286.

**[Express Mail Guarantees \(Report Number FF-AR-11-004\).](#)**

**[Fiscal Year 2010 Financial Installation Audits Post Offices, Stations, and Branches \(Report Number FF-AR-11-005\).](#)** Based on the items we reviewed, Postal Service retail units overall did not comply with all nine key financial reporting controls. Appendix B lists each issue and the number of units where the issue was reported during FY 2010.

**[Houston, TX Processing and Distribution Center Mail Consolidation \(Report Number NO-AR-11-004\).](#)** A business case exists to consolidate the Houston Processing and Distribution Mail Centers (P&DCs) mail processing operations into the North Houston P&DC. This conclusion is based on the premise that the North Houston P&DC is expanded.

**[Workers Compensation Liability Estimate \(Report Number FT-MA-11-002\).](#)** Volatility is inherent in the workers compensation liability, not only in the Postal Service but also in other benchmarked organizations. The majority of benchmarking partners annual reports recognized the potentially high level of uncertainty associated with estimating the financial liability for workers' compensation. However, the Postal Service could take action to smooth or reduce the volatility of this significant liability. Specifically, management should consider using discount rates similar to the Department of Labor and revise the weights of the actuarial methods they use in the model.

**[Workshare Discounts Exceeding Avoided Costs \(Report Number MS-AR-11-001\).](#)**

Justifications for 19 workshare discounts that exceed avoided costs by approximately \$104 million were not supported by detailed documentation. Additionally, although the educational, cultural, scientific or informational exception justifies discounts that exceed avoided costs, the Postal Service did not support the reasonableness of these discounts.



***At the Postal Regulatory Commission:***

- CP2011-45 Order No. 630 - Order Adding Global Expedited Package Services-Non-Published Rates 2 to the Competitive Product List

<http://www.prc.gov/docs/71/71439/Order630.doc>

<http://www.prc.gov/docs/71/71439/Order630.pdf>

- **ACR2010 United States Postal Service FY 2010 Annual Compliance Report**

<http://www.prc.gov/docs/71/71432/FY10.ACR.Final.pdf>

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R2010-3 2010 December 29, 2010 Summer Sale Data Collection Report



<http://www.prc.gov/docs/71/71429/DEC29DCRSS.pdf>


<http://www.prc.gov/docs/71/71429/2010SS.PRC.Rep.Sum.xls>


<http://www.prc.gov/docs/71/71429/Cal.SR.AC.SS.FY10.CRA.xls>


<http://www.prc.gov/docs/71/71429/2010SS.PRC.Rep.WB2.xls>


 The [Tweed Daily News](#) has reported that "there will be no Australia Post office closures in the Tweed region despite the growing dependence on email, Facebook and online communications. This confirmation comes after news 27 post offices across the nation would be facing closure from December 31."


 As the [Washington Times](#) has noted, "The Federal Employees' Compensation Act of 1916 was never intended to be a retirement plan, but critics say for thousands of government employees, that's just what it's become. That's because under the federal system, disabled employees unable to return to work get to choose between receiving higher-paying workers' compensation benefits or the lower-paying federal retirement plan. For most, the choice is clear. The money is almost always better under the workers' compensation program, which pays up to 75 percent of the employees' salaries tax-free, compared with the 60 percent they would receive under the retirement system. Across government, more than 7,000 injured employees continue to collect workers' compensation after retirement age, and a few have even gotten payouts lasting decades well into their 90s, government records show. Sen. Susan Collins Recent legislation by Sen. Susan Collins, Maine Republican, proposes to transfer workers' compensation recipients to the retirement system when they reach retirement age." 

 [Intelisent](#) has told its readers that "On January 2, the USPS will require new postage statements. The official USPS position has been that you cannot use the statements prior to the implementation date, but you must do so on the implementation date - even if you are not claiming any rates that are changing. There are problems . . . There are solutions."


 [Online Media Daily](#) has reported that "Online advertising revenue and online retail spending will both grow by 10% in 2011, according to the latest forecast from S&P Equity Research."



 [Belfast Media](#) has reported that "residents living in the Meadowhill Grange area of the Glen Road have hit out at Royal Mail for the second time in recent weeks for failing to deliver mail to their homes. In the December 13 edition of the Andersonstown News residents spoke of how they went four days without post during the last bout of snowfall, causing many people to miss hospital appointments and deliveries of Christmas presents. At the time, Royal Mail blamed the delays on the wintry weather conditions, despite regular postal deliveries still getting through to nearby Hannahstown which is situated on much steeper terrain than Meadowhill Grange. And as Christmas Day gets ever nearer, it has now emerged that the Grange has received just three postal deliveries in three weeks while Hannahstown deliveries still remain unaffected." *[EdNote: At least NYC's mayor Michael Bloomberg knew when it was time to eat crow and apologize. Has Royal Mail?]*


 According to the [Courier, Express, and Postal Observer](#), "The elimination of denominated First Class stamps should provide a limited boost to the Postal Service in three ways."


 According to the [Wall Street Journal](#), "With about 6 percent of the country's gross domestic product delivered by United Parcel Service, the Atlanta-based company is often seen as a proxy for the U.S. economy. But it looks like the folks with the dark brown trucks are a step ahead: While the economy has been sluggish, all the shipping company's divisions, encompassing areas such as international package delivery and logistical operations, are on track to post profit increases of more than 50 percent from year-ago lows. The snapback in global trade is one


reason for the gains. But UPS has also restructured its U.S. business and invested in its hubs to make them more autonomous, lowering labor and other costs."

 The [Daily Mail](#) has reported that "The Royal Mail principle of delivering letters to every home and business in the country for the same price is under threat, a report warns today. MPs have raised fears that a clause in the Government's controversial Postal Services Bill could undermine the universal service obligation. Under this pledge, Royal Mail promises to collect and deliver letters six days a week to any address from the Cornish coast to the Scottish Highlands."

  The [Herald](#) has reported that "Many Scottish post offices will remain at risk of closure unless tangible action is taken soon, an influential committee of MPs has warned. The Tory-LibDem Coalition has been told to increase the number of Government services accessed through post offices, to ensure their long-term viability. Ministers should also publicly commit to retaining the existing network of branches, MPs on the Commons Scottish affairs committee recommend. It publishes a report today into postal services in Scotland that warns good intentions are not enough and called for clear assurances instead."

 [TMCNet](#) has reported that "The U.S. Postal Service's Supplies and Services Purchasing has issued a combined synopsis/solicitation notice (1B-11-A-0004) for the Next Generation Retail System Software to be used across retail point of sale platforms. It was posted on Dec. 23 with a response date of Jan. 31. Approved sources are Escher Group Ltd., Fujitsu America Inc., IBM, NCR Government Systems, Oracle Corp., PCMS Datafit Inc., SAP Public Services Inc. and Wincor Nixdorf."

 [Manx Radio](#) has reported that the "Isle of Man Post says things are back to normal after snow and ice blanketed Britain, and it's able to restore its Special Delivery service."

 The [Atlanta Journal-Constitution](#) has reported that "The Occupational Safety and Health Administration has levied \$80,000 in fines against the U.S. Postal Service for safety violations at a Duluth facility."


 **PostCom welcomes its newest member: [Central Jersey](#)** 1 Slater Drive Elizabeth, NJ 07206 Contact: **Brian Ruane Vice President**


*December 29, 2010*

 **At the Postal Regulatory Commission:**


- Posted on the PRC web site is the [USPS Preliminary Financial Information \(Unaudited\) for November 2010](#)
- CP2011-43 Order No. 629 - Order Concerning Contingency Prices for International Business Reply Service Competitive Contract 1  
[http://www.prc.gov/docs/71/71422/Order\\_No\\_629.doc](http://www.prc.gov/docs/71/71422/Order_No_629.doc)  
[http://www.prc.gov/docs/71/71422/Order\\_No\\_629.pdf](http://www.prc.gov/docs/71/71422/Order_No_629.pdf)
- 


CP2011-44 Public Representative Comments in Response to United States Postal Service Request to Add Priority Mail Contract 30 to the Competitive Product List  
<http://www.prc.gov/docs/71/71334/PRCommentsMC2011-09.docx>  
<http://www.prc.gov/docs/71/71334/PRCommentsMC2011-09.pdf>


 The [Times of Malta](#) has reported that "MaltaPosts share price climbed 5.3 per cent today to close at a new all-time high of 1."


 [eMilitary.org](#) has reported that "Mail delivery in Afghanistan sets new yearly and holiday records as joint sustainment forces bring holiday cheer to U.S. service members. Since January, 2010, teams of postal professionals


in Afghanistan have moved the largest amount of mail in Afghanistans history, more than 54,517,638 pounds, said Lieutenant Colonel Donald Brown, chief, Postal Operations Division, 3rd Human Resources Sustainment Center (HRSC), 1st Theater Sustainment Command (TSC). In 2009, 34.4 million pounds, and in 2008, 19.2 million pounds was delivered. Joint Sustainment Command-Afghanistan (JSC-A) also reports that the amount of holiday mail delivered exceeded the amount of mail delivered for all previous years since Operation Enduring Freedom began in 2001."


 [Reliable Plant](#) has noted that "The U.S. Department of Labor's Occupational Safety and Health Administration cited the U.S. Postal Service for willful and serious violations of safety standards following an inspection at the Central Massachusetts Processing and Distribution Center in Shrewsbury, Mass. The Postal Service faces a total of \$238,000 in fines, chiefly for exposing workers to electrical hazards. "These sizable fines reflect the Postal Service's knowledge of and failure to address these hazards," said Assistant Secretary of Labor for OSHA Dr. David Michaels. "For years, the Postal Service knew that allowing untrained employees to work on electrical equipment exposed workers to serious injury or worse. Despite this knowledge, the Postal Service did not take the necessary steps to change its practices and eliminate the hazards." See also the [Worcester Telegram](#).

 The [Manchester Journal Inquirer](#) has reported that "The church that operates a postal station on Main Street that was the subject of a six-year federal court case over religious displays has decided not to renew its contract when the agreement expires in two months, local officials say."

 From [Federal News Radio](#): "The new Postmaster General will officially assume his position in the New Year. Patrick Donahoe will be sworn in on January 14. Donahoe was named the 73rd Postmaster General of the U.S. Postal Service in October. Danohoe already reduced the number of senior officers and to be on his leadership-teams this month, saying he wants to help create a more profitable and nimble USPS."

 The [Sydney Morning Herald](#) has reported that "facing a backlash from residents angry over looming post office closures, Australia Post said it must ensure it remained financially self-sustaining by closing unviable outlets."


 [Post & Parcel](#) has reported that "Ireland's largest independent delivery company, Nightline, has unveiled plans to offer a postal service for the country's business community. Nightline's CEO, John Tuohy, has revealed that his company has created a new division, Eirpost, specifically to manage the service."

 [USA Today](#) has reported that "Another era is coming to an end: Denominated first-class postage stamps. Starting next month, all new stamps will be labeled "forever," a U.S. Postal Service official tells the Associated Press. Forever's eliminate the need to add 1- and 2-cent stamps when rates change, which apparently has been a challenge for snail-mailers, said the official, who asked not be named because Postmaster General Patrick Donahoe isn't scheduled to officially announce the new policy until Jan. 14."


### **At the Postal Regulatory Commission:**

- CP2011-52 Order No. 624 - Notice and Order Concerning Filing of Additional Global Direct Contracts 1 Negotiated Service Agreement  
[http://www.prc.gov/docs/71/71331/Order\\_No\\_624.doc](http://www.prc.gov/docs/71/71331/Order_No_624.doc)  
[http://www.prc.gov/docs/71/71331/Order\\_No\\_624.pdf](http://www.prc.gov/docs/71/71331/Order_No_624.pdf)
- CP2011-53 Order No. 627 - Notice and Order Concerning Addition of Parcel Select Contract 1 to the Competitive Product List  
[http://www.prc.gov/docs/71/71341/Order\\_No\\_627.doc](http://www.prc.gov/docs/71/71341/Order_No_627.doc)  
[http://www.prc.gov/docs/71/71341/Order\\_No\\_627.pdf](http://www.prc.gov/docs/71/71341/Order_No_627.pdf)
- MC2011-16 Order No. 627 - Notice and Order Concerning Addition of Parcel Select Contract 1 to the Competitive Product List  
[http://www.prc.gov/docs/71/71341/Order\\_No\\_627.doc](http://www.prc.gov/docs/71/71341/Order_No_627.doc)  
[http://www.prc.gov/docs/71/71341/Order\\_No\\_627.pdf](http://www.prc.gov/docs/71/71341/Order_No_627.pdf)

- RM2011-5 Order No. 625 - Notice of Proposed Rulemaking on Analytical Principles Used in Periodic Reporting (Proposals Nine through Twelve) [http://www.prc.gov/docs/71/71332/Order\\_No\\_625.doc](http://www.prc.gov/docs/71/71332/Order_No_625.doc)  
[http://www.prc.gov/docs/71/71332/Order\\_No\\_625.pdf](http://www.prc.gov/docs/71/71332/Order_No_625.pdf)
- RM2011-6 Order No. 626 - Notice of Proposed Rulemaking on Analytical Principles Used in Periodic Reporting (Proposals Thirteen and Fourteen) [http://www.prc.gov/docs/71/71340/Order\\_No\\_626.doc](http://www.prc.gov/docs/71/71340/Order_No_626.doc)  
[http://www.prc.gov/docs/71/71340/Order\\_No\\_626.pdf](http://www.prc.gov/docs/71/71340/Order_No_626.pdf)

 The [Times of India](#) has reported that "At the behest of the ministry of home affairs (MHA), the department of posts has initiated an inquiry into the delay in dispatching Union home minister P Chidambaram's letter to chief minister Buddhadeb Bhattacharjee. Days before the letter marked "secret" was to reach Writers' Buildings, the contents had been exposed by media houses across the country. The department of posts, it seems, is trying to come out clean on the issue by citing a 72-hour deadline for delivery of Speed Post mails. Read more: Postal dept starts probe into delivery delay."

*December 28, 2010*

 [Post & Parcel](#) has reported that "Next year looks set to be a more favourable year for the US Postal Service, according to federal regulators with the exception of its retiree health benefits problem. In its end-of-year report to the US Congress, issued yesterday, the Postal Regulatory Commission suggested that cost-cutting by the USPS over the past two years was having a positive impact. The Commission said in yesterday's report that as of August 2010, the organizations cost-cutting was outpacing the declines in its revenues and postal volumes, indicating that financial year 2011 will be a more favourable year for the Postal Service. The regulatory body added that the glaring exception to the outlook for the USPS was the issue of the organizations overpayments to its healthcare fund for retired postal workers."

### **DMM Advisory: Notice 123, Price List and 2011 Shipping Services Price**


**Change.** New prices for our Shipping Services effective Jan. 2, 2011 are now available in an updated Notice 123, *Price List*, which is posted on [Postal Explorer](#) at [pe.usps.com](http://pe.usps.com). In the left blue navigation bar, click on "Price List (Notice 123)" under the \*NEW\* Jan. 2, 2011, Pricing Information header. The updated [Notice 123, Price List](#) features prices for all products, including those that *do not* change in Jan., such as First-Class Mail, Standard Mail and Periodicals prices. Only our Shipping Services prices are changing on Jan. 2. These changes include prices for the following products:



- Express Mail
- Priority Mail
- Parcel Select
- Parcel Return Service
- Premium Forwarding Service
- Global Express Guaranteed (GXG)
- Express Mail International (EMI)
- Priority Mail International (PMI)
- Airmail M-Bags
- International Priority Airmail (IPA)
- International Surface Airmail (ISAL)
- Some international extra services


**IMb Services Update.** As a result of Full Service ACS Fulfillment software changes made on Nov. 7, 2010, two potential issues were identified that affect Full Service jobs finalized in *PostalOne!* since November 7. The first issue impacts mailers who receive their Full Service ACS data via downloadable reports. A problem occurred in the association of Mail Owner information in *PostalOne!* which prevented Full Service ACS records from being accessible via the downloadable reports channel. With the software update on Jan. 2, 2011, the Full Service ACS information will be recovered and made available for retrieval via the downloadable channel. The second issue impacts Periodicals mailers. A problem occurred in a logic module that finalizes containers prior to transmission for processing. This caused the containers to appear as not having been finalized, which prevented the association of Full Service ACS records. With the software update on Jan. 2, the Full Service ACS information will be recovered


for the period Nov. 7 through Jan. 2 and provided via the normal fulfillment channel. For other questions about this software update, please contact Michael Ohora at [Michael.D.Ohora@usps.gov](mailto:Michael.D.Ohora@usps.gov) or (202) 268-8083


 [TechCrunch](#) wanted to know: "How Much Did It Cost AOL To Send Us Those CDs In The 90s? A Lot!, Says Steve Case."


 [Politico](#) has reported that "Sen. Tom Coburn said Sunday he plans to make good on his pledge to not seek reelection in 2016."

 [NPR](#) has a piece on "Lost Mail Is Auctioned Off At Center In Atlanta." 

 As [Northwest Arkansas Online](#) put it, "U.S. Rep.-elect Steve Womack of Rogers got elected by campaigning on a tough stand on government spending, running government efficiently and making government serve the people instead of letting it live off the taxpayer. Fiscal conservatism, like charity, begins at home. Therefore, Womack should support the idea of consolidating U.S. Postal Service operations into a center in Fayetteville."

 [Melodika](#) has noted that "Door to Door distribution method is a very old and common method of advertising in Ireland. Starting in the 60's, it is now considered as a versatile and measurable marketing technique providing a higher return on investment (ROI) than other modes of advertising and marketing. It has been proven as a tool for expanding market share for a company as it delivers the advertising message straight to customers."

 [The Telegraph](#) has reported that "A parcel bomb was defused on Monday after being sent to the Greek embassy in Rome as a wave of anarchist attacks that began before Christmas continued."

 According to the [Financial Times](#), "The postal workers leader has refused to rule out industrial action to stop Royal Mail privatisation, saying his unions political campaign can still put a stick in the coalitions spokes. Pensions and forced redundancies are among potential flashpoints."

### **At the Postal Regulatory Commission:**

- The [Commission's annual report to the President and Congress](#) has been posted on its web site.
- Strategic Services Agreement 2011 between Australian Postal Corporation; China Post Group <http://www.prc.gov/docs/71/71324/Kahala%20Posts%20Group%20407%20d%202%20filing.pdf>
- EMS Pay-for-Performance Agreement between the Emirates Post and the United States Postal Service <http://www.prc.gov/docs/71/71323/Emirates Post 407 d 2 filing.pdf>
- USPS Preliminary Financial Information (unaudited), November, 2010 [http://www.prc.gov/docs/71/71325/NOV-10\\_PRC\\_-\\_Final.pdf](http://www.prc.gov/docs/71/71325/NOV-10_PRC_-_Final.pdf)  
<http://www.prc.gov/docs/71/71325/Letter-PrelimFinanInfo-Nov2010.pdf>

*December 27, 2010*




*The U.S. Postal Service Office of Inspector General invites you to comment on this weeks Pushing the Envelope blog topic:*


- **So, How was Your Holiday?... With the USPS?** The Postal Service touches everyone regularly, but more so during the holiday season. Did you have a Mail Moment experience with the Postal Service over the past few weeks? Was it a positive experience? [LINK](#) here give your thoughts.




**New Audit Projects:** [LINK](#) here to visit our audit project pages. This week we opened the following new project(s): (Please share any information you may have that would help with this audit currently in progress by clicking on the link below):


- **[Service Performance Measurement Commercial Mail 11RG008CRR000](#)**. We plan to audit service standard performance measurement for commercial mail, in phases. In the initial phase, we will examine processes the Postal Service uses to measure service performance, such as establishing and adhering to critical entry times at mail processing facilities. Next, we plan to review how customer and supplier agreements are developed and implemented at selected mail induction facilities. And we will also evaluate controls over how mail scan records are collected in the Surface Availability Service Performance (SASP) system that is used to process and report third party contractors.


 [The Courier](#) has noted that "Royal Mail has admitted it failed in its attempt to clear a huge backlog of undelivered mail by Christmas."


 [The Economic Times](#) has reported that "The department of posts has initiated external consumer audits to understand the growing needs of urban customers worried over decline in its market share in mail service business that it once dominated. India Post will conduct these audits primarily in its urban post offices to gauge market sentiments of the urban population, which is rapidly switching to private courier service providers." See also the [Press Information Bureau](#).


 [The Guardian](#) has reported that "More than 1,000 post offices have shut or been put up for sale this year, with some not showing up in official closure lists, according to new research. The Communication Workers Union said there was a "growing trend" of closures in 2010 which it warned would get worse if the Government pressed ahead with controversial plans to privatise the Royal Mail. A study by the union showed that 162 post offices were listed as "long-term temporary closures" this year and over 900 were put up for sale."


 From [PR-Inside](#):

 With the [Swedish express and parcels market](#) undergoing significant change the competitive landscape changed considerably. The Express Benchmarking report includes overall market shares for the leading players in Sweden, as well as across all of the significant market segmentations such as Service level (Express - Parcel, Destination (Domestic - International) and Recipient (B2B - B2C/C2C).


 [Japan Post Holdings Co., Ltd.](#) (Japan Post) is a postal servicing company. It is principally engaged in the postal services which include international mail, EMS, You-pack, standard mail, and postal stamps; and postal money order, postal savings, and postal life insurance. In addition, the company offers savings accounts, through subsidiary Japan Post Bank, and life insurance through subsidiary Japan Post


 According to [The News](#), "A leader of Pakistan Post employees has announced that they would severely resist any attempt to privatize the Postal Department, as such an action would ruin an important national service institution. According to a concept paper prepared for Privatization Commission, the Pakistan Post Office Department would be divided into two entities - Pakistan Post Service Company and Pakistan Post Bank Company under the roof of one holding company named Pakistan Post Holding Company. Pakistan Post Service will manage the mail delivery services."


 [Balkans Business News](#) has reported that "Prime Minister Mirko Cvetkovic, Belgrade Mayor Dragan Djilas and Director-General of public telecommunications company PTT Srbija Goran Ciric laid the cornerstone for the construction of the main postal centre Belgrade in Zemun on Friday. Cvetkovic said for this occasion that construction of this postal centre will mark the beginning of a new era of the work of PTT Srbija which will start using state-of-the-art technology. The Prime Minister announced that in addition to Belgrade, postal centres will be built in Novi Sad and Nis and specified that the total value of the investment is 40 million."

 The [Washington Times](#) has noted that "More than 100 U.S. Postal Service employees over 90 years old are collecting workers compensation - a fact one U.S. senator calls troubling, arguing that workers ought to be moved to retirement rolls from which payouts would be less expensive."


*December 26, 2010*


 The [BBC](#) has reported that "Royal Mail has apologised to residents in Warwickshire who have suffered disruption to their postal service. Residents in Shipston-on-Stour and Kenilworth told BBC News they had not had any mail delivered for a week ahead of the Christmas holidays starting. Royal Mail said staff "pulled out all the stops" but the continuing severe weather conditions were to blame."


 [Minuteman Press](#) has noted that "Disruption to Scottish postal services due to recent adverse weather has resulted in chaos for businesses throughout the country."

 [The Northwestern](#) has reported that "A plan to consolidate the United States Postal Services mail processing operation in Oshkosh with Green Bay center was announced late in 2010. It was especially unwelcome news in Oshkosh because an earlier study to consolidate the Green Bay operation with Oshkosh was abruptly halted by the Postal Service and city officials have been unable to determine why. There is a lack of information about exactly what parameters were used to arrive at the recommendation to move Oshkosh-area mail processing into Green Bay. The United States Postal Services response to the city of Oshkosh's Freedom of Information Act regarding the abrupt cancellation have not clarified things."


*December 25, 2010*


 According to the [Saginaw News](#), the "Saginaw-to-Pontiac mail processing move smells fishy."


 The [Market Oracle](#) has reported that "The Royal Mail has announced that they intend pushing up the price of postage costs in April 2010 by as much as an eye watering 14%."


 The [Mainichi Daily News](#) has reported that "The Supreme Prosecutors Office announced the results of an internal probe that showed that prosecutors' handling of a highly-publicized postal-discount abuse case, in which a top health ministry bureaucrat was arrested, indicted, and later acquitted, had been "problematic."

*December 24, 2010*

 According to the [Courier, Express, and Postal Observer](#), "As we close another holiday season, the increasing importance of web based shopping becomes increasingly evident. Marstercard Advisers reported that Internet sales rose 15.4%. This increase is consistent with the results generated by the monthly surveys of retail activity conducted by the Commerce Department. What the Postal Service, FedEx and United Parcel Service need to do is delve a bit deeper into the data as they begin to make their plans for handling the even larger volumes of parcels that will be delivered next year."

 [DVIDS](#) has noted that "Mail delivery in Afghanistan sets new yearly and holiday records as joint sustainment forces bring holiday cheer to U.S. Service members."


 According to [TechCrunch](#), "Zumbox, a privately held company that offers a digital mailbox and filing system based on your street address, has raised a little over \$9.7 million in venture capital, according to this SEC filing."

 **From the Federal Register: Postal Service NOTICES** Product Changes: Express Mail Negotiated Service Agreement , 8131881319 [201032373] [\[TEXT\]](#) [\[PDF\]](#) Priority Mail Negotiated Service Agreement , 81319 [201032374] [\[TEXT\]](#) [\[PDF\]](#) 81319 [201032375] [\[TEXT\]](#) [\[PDF\]](#) 81319 [201032377] [\[TEXT\]](#) [\[PDF\]](#)

 **At the Postal Regulatory Commission:**


- Notice of United States Postal Service Filing of Functionally Equivalent Global Direct Contracts 1 Negotiated Service Agreement  
<http://www.prc.gov/docs/71/71300/CP2011-52%20Global%20Direct%20Notice.pdf>  
<http://www.prc.gov/docs/71/71300/CP2011-52 Public Workpapers.xls>
- CP2011-39 Order No. 622 - Order Adding Global Plus 1B to the Competitive Product List and Approving Functionally Equivalent Global Plus 1B Contracts Link: <http://www.prc.gov/docs/71/71303/Order622.doc>  
<http://www.prc.gov/docs/71/71303/Order622.pdf>
- CP2011-40 Order No. 622 - Order Adding Global Plus 1B to the Competitive Product List and Approving Functionally Equivalent Global Plus 1B Contracts Link: <http://www.prc.gov/docs/71/71303/Order622.doc>  
<http://www.prc.gov/docs/71/71303/Order622.pdf>
- CP2011-41 Order No. 623 - Order Adding Global Plus 2B to the Competitive Product List and Approving Functionally Equivalent Global Plus 2B Contracts Link: <http://www.prc.gov/docs/71/71304/Order623.doc>  
<http://www.prc.gov/docs/71/71304/Order623.pdf>
- CP2011-42 Order No. 623 - Order Adding Global Plus 2B to the Competitive Product List and Approving Functionally Equivalent Global Plus 2B Contracts Link: <http://www.prc.gov/docs/71/71304/Order623.doc>  
<http://www.prc.gov/docs/71/71304/Order623.pdf>
- MC2011-7 Order No. 622 - Order Adding Global Plus 1B to the Competitive Product List and Approving Functionally Equivalent Global Plus 1B Contracts Link: <http://www.prc.gov/docs/71/71303/Order622.doc>  
<http://www.prc.gov/docs/71/71303/Order622.pdf>
- MC2011-8 Order No. 623 - Order Adding Global Plus 2B to the Competitive Product List and Approving Functionally Equivalent Global Plus 2B Contracts Link: <http://www.prc.gov/docs/71/71304/Order623.doc>  
<http://www.prc.gov/docs/71/71304/Order623.pdf>
- National Trial Balance, November, 2010 (FY 2011); and Statement of Revenue and Expenses, November, 2010 (FY 2011)  
[http://www.prc.gov/docs/71/71314/Statement%20of%20Revenue%20and%20Expenses%20-%20Redacted,%20%20November,%202010%20\(FY%202011\).xls](http://www.prc.gov/docs/71/71314/Statement%20of%20Revenue%20and%20Expenses%20-%20Redacted,%20%20November,%202010%20(FY%202011).xls)  
[http://www.prc.gov/docs/71/71314/National\\_Trial\\_Balance\\_-\\_Redacted,\\_November,\\_2010\\_\(FY\\_2011\).xls](http://www.prc.gov/docs/71/71314/National_Trial_Balance_-_Redacted,_November,_2010_(FY_2011).xls)
- USPS Report on PRC Rate and Service Inquiries for December 2010  
<http://www.prc.gov/docs/71/71312/Service%20Inquiries%20December%202010%20.pdf>

**December 23, 2010**

 **KDAF** has reported that "The growing popularity of text messaging may be spelling the end of email. More Americans are choosing to text rather than send email because of its convenience." [EdNote: Yes. And soon the world will discover that speaking into a phone actually accomplishes more than texting. Wow! What a concept! Using the skill that has been noted for differentiating humans from lower species.] See also the [New York Times](#).

 **From the Federal Register:** Postal Regulatory Commission NOTICES New Postal Products

- 8085980860 [201032218] [\[TEXT\]](#) [\[PDF\]](#)
- 8085780858 [201032219] [\[TEXT\]](#) [\[PDF\]](#)
- 8085880859 [201032220] [\[TEXT\]](#) [\[PDF\]](#)
- 8086080861 [201032221] [\[TEXT\]](#) [\[PDF\]](#)

 The [Washington Times](#) has reported that "The U.S. Postal Service has named a new top ethics officer in the aftermath of a series of embarrassing disclosures about a former key executive at the agency who was permitted to earn more than a quarter-million dollars in outside income and who was accused of steering contracts to former business associates. The appointment of Helen Grant as the Postal Service's designated ethics officer wasn't formally announced, but it was made clear recently when her name replaced that of Mary Anne Gibbons, the Postal Service's general counsel, as the top postal ethics official on the U.S. Office of Government Ethics website. The move was

made months after a report by the Postal Services office of inspector general looked into the activities of Robert Bernstock, the former top marketing officer for the Postal Service."



### **At the Postal Regulatory Commission:**

- A [Postal Regulatory Commission Inspector General](#) has been posted on the PRC web site.
- [Negotiated Service Agreement \(Nsa\) Background Information](#)

**December 22, 2010**



UPS has joined with Corporate Pro Bono (CPBO), Pro Bono Institute (PBI), Association of Corporate Counsel (ACC) and 99 other major corporations in their dedication to corporate social responsibility through pro bono legal work. The UPS Legal Department has signed on to the Corporate Pro Bono Challenge, a simple, voluntary statement of commitment to pro bono service by legal departments, their lawyers and staff.



Check out the [Wall Street Journal](#) story on "A Production With 37,500 Extras."




The [Diocese of Lichfield](#) has noted that "A Shropshire church has delivered winter weather assistance to the Royal Mail in the appropriately named parish of Frankwell. In addition to the usual Sunday Services, Carol Services and Crib Services, the church is now offering a postal service!" *[EdNote: Okay . . . No cracks about the post needing Divine intervention.]*





[Post & Parcel](#) has reported that "Estonias state-owned postal operator, Estonian Post, has said it is expecting next year to be intense as it responds to increasing competition and declining mail volumes."





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


 Early next year, eleven EU member states will fully open their postal markets to competition. In Austria, Belgium, Bulgaria, Denmark, France, Ireland, Italy, Malta, Portugal, Slovenia and Spain, private operators will then be able to offer full postal services. Market observers point out, however, that significant access barriers exist in many markets and the incumbents often have a de facto monopoly.


 In the dispute concerning the planned job cuts Dutch TNT Post was able to prevail. Last Thursday the post and the unions Abvakabo FNV, CNV and BVPP agreed that 2,800 jobs will be cut by compulsory redundancies, while 1,700 jobs will remain.


 The state could decrease its stakes in Austrian Post and in Telekom Austria AG, which is also listed, according to the outgoing CEO of IAG, Peter Michaelis.


 Union ver.di has sharply criticized postal service provider Pin Mail AG Berlin. In connection with the attempt to negotiate a labor contract, the union called the employers behaviour as not on the principle of German constitution.


 Jrg Bucher, CEO of Swiss Post, is convinced that the post and PostFinance will be separate public companies by 1 January 2012.


 Although the postal market has been open for years, Finnish Itella Oy holds a de facto monopoly in the mail and newspaper distribution. This has been stated by the regulatory authority Ficora in its investigation of the postal market (Markkinakatsaus 4a/2010 - Katsauspostipalvelumarkkinoiniin 2010), published last week.


 TNT Express bought an interest in French Adrexo.


 In the dispute over a new collective agreement for the approximately 1,000 employees of Federal Express in Germany, the union has prevailed. As ver.di announced this Monday, they had agreed on a collective bargaining agreement with a total of 5.5 percent.

 Austrian Post wants to continue to grow abroad. We have about 20 operating subsidiaries internationally, with whom we will continue to take advantage of growth opportunities. With the emphasis on parcel business, but also with letter subsidiaries.

 State-owned Poczta Polska will return to profitability this year.


 French La Poste has acquired marketing services specialist Sogec.


 In the upcoming year, Thailand Post wants to increase its turnover by at least 10 percent to 378m euros.

 According to the association Assotir (Transfrigoroute Italia Assotir), Italys road transport is on the verge of collapse. Decreasing sales, rising costs, a lack of public and political interest as well as prices going down due to heavy competition would characterize the industry. In particular, the markup in gasoline prices, rising insurance costs and the increase in toll fees put a strain on the business.





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


 The [Columbo Page](#) has reported that "Sri Lanka Postal Department trade unions point out that the postal service of the country is becoming unpopular. The trade union sources say that the per annum average number of letters posted by Sri Lankans has decreased from 29 in 1991 to 20 by 2010. The reason for the decline is attributed to development of telecommunication services in the country, the inefficiency in postal service and lack of programmes to attract more consumers."

 **DMM Advisory: IMb Services Update. Customer Training Schedule for *Postal One!* Release 26 and eDoc Verification Using Micro Strategy.** *Postalone!* Release 26 will be deployed on January 2, 2011. Three training seminars have been scheduled in conjunction with this release:


- Thursday December 23, 2010 2 pm to 4 pm EST, EVENT Number: 991 533 779, EVENT Address for attendees: <https://usps.webex.com/usps/onstage/g.php?d=991533779&t=a>
- Thursday, December 30, 2010 2 pm to 4 EST, EVENT Number: 994 264 624, EVENT Address for attendees: <https://usps.webex.com/usps/onstage/g.php?d=994264624&t=a>
- Thursday, January 7, 2011 2:00pm to 4:00pm EST, EVENT Number: 996 233 811, EVENT Address for attendees: <https://usps.webex.com/usps/onstage/g.php?d=996233811&t=a>


 [Dow Jones](#) has reported that "German postal and logistics giant Deutsche Post AG said Wednesday it agreed upon a revolving syndicated credit facility with a consortium of German and international banks for a volume of EUR2 billion."

 The [Calhoun County Journal](#) has told its readers that "The Journal is now offering first class mail subscriptions. The first class subscription option is to address late and sporadic delivery issues to many out-of-county and out-of-state subscribers. The first class subscription will cost \$115, but will virtually guarantee delivery within two days of publication. The expense of the first-class subscription is due to postage. Newspapers are mailed as periodicals because it provides a lower postal rate. The Journal mails more than 1,000 newspapers outside of Calhoun County every week. The newspapers go out in bulk, leaving Bruce at the same time every week headed for one of the large sectional centers. It is there where most of the late delivery issues occur. Bags, boxes or bundles of papers, bound for destinations all over Mississippi and beyond, can typically take a week or longer to arrive when traveling as "periodicals."

 [WRGB](#) has reported that "If mailing out your Christmas cards this year meant you used up your collection of forever stamps and needed some new ones, you might have noticed a change -- especially if you get your stamps from an automated machine. Stamps are thinner -- and its very much by design, CBS 6 has learned. US Postal

Service spokeswoman Maureen Marion said the changes are for two reasons: the environment and those automated machines. Marion said this is especially necessary at automated postal centers and kiosks and through automated teller machines at partner banks. A thinner stamp sheet makes them easier to dispense."

 [WKZO](#) has reported that "A Kalamazoo woman could be facing federal charges. Kalamazoo Public Safety was called about someone going through mail boxes in the 2000 block of Skyler and they found a 27-year-old woman with mail from thirteen different addresses in her car. Police say she was sorting through the mail looking for checks, cash, gift cards, and electronics. The case has been turned over to U.S. postal inspectors for prosecution."


 [Hellmail](#) has reported that "Romanian Post SA said this week it intends to fight a decision made by the Competition Council last week that found Romanian Post in breach of competition laws, describing it as "unjustified and taken as basis of an incomplete investigation". Romanian Post said it believes the conclusions of the Competition Council are not in line with the EU approach to the treatment of price discrimination and that any pricing difference is consistent with what it described as "normal competitive behavior".


### **At the Postal Regulatory Commission:**


- **Docket No. MT2011-1:** On November 8, 2010, the Postal Service filed a notice, pursuant to 39 U.S.C. 3641(c)(1), announcing its intent to initiate a market test of an experimental market dominant product, Alternate Postage Payment Method for Greeting Cards, enabling individuals to mail greeting cards without affixing postage. The test will begin on or about January 1, 2011. **The Commission finds that the market test meets the requirements of 39 U.S.C. 3641.** The Postal Service proposes a marketing test in which participating businesses will produce and distribute pre-approved envelopes according to specific design requirements which will be packaged for sale with greeting cards. Individuals will be able to mail greeting cards without affixing postage by using the pre-approved envelopes.
- **Quarterly Performance Reports for Quarter 4-FY2010**  
[http://www.prc.gov/docs/71/71279/Quarterly\\_Performance\\_Q-4-FY2010\\_letter.pdf](http://www.prc.gov/docs/71/71279/Quarterly_Performance_Q-4-FY2010_letter.pdf)  
<http://www.prc.gov/docs/71/71279/Special%20Services%20Performance%20Report%20Q4%20FY10.zip>  
<http://www.prc.gov/docs/71/71279/First-Class%20Mail%20Performance%20Reports%20Q4%20FY10.zip>  
<http://www.prc.gov/docs/71/71279/Package%20Services%20Performance%20Reports%20Q4%20FY10.zip>  
<http://www.prc.gov/docs/71/71279/Periodicals%20Performance%20Reports%20Q4%20FY10.zip>  
[http://www.prc.gov/docs/71/71279/Presort\\_FCM\\_and\\_Standard\\_Perf\\_Report\\_Q4\\_FY10\\_Restricted.zip](http://www.prc.gov/docs/71/71279/Presort_FCM_and_Standard_Perf_Report_Q4_FY10_Restricted.zip)


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


*December 21, 2010*

 [Advertising Age](#) has reported that "A clear majority of Americans, 67%, say advertisers shouldn't be allowed to use people's web history to deliver appropriate advertising on the web, according to a new Gallup poll. Reminding them that behavioral tracking helps pay for the free websites they visit only dampens their opposition a bit."


 [CNET News](#) has reported that "A trade group for the mobile-phone industry is calling for new privacy guidelines to help address consumer complaints over how and what information is gathered through mobile apps. Made up of mobile advertisers, publishers, and media companies, the Mobile Marketing Association said yesterday that it's working on a new set of privacy guidelines to supplement its current Global Code of Conduct. Created in 2008, the Code of Conduct established that mobile marketers must ensure that consumers can opt in and out of ads and that information gathered through ads be used responsibly. But with ongoing concerns about online privacy, the MMA said it wants consumers to have a more transparent view of the process of information gathering and a better understanding of how that information is being used. Toward that end, the MMA is calling on more companies to join its privacy committee, which sets up certain guidelines for online data collection. The group also intends to discuss the issue of online privacy at its upcoming Consumer Best Practices meeting on January 25 and 26."


 From [PRNewswire](#): "In a move that is expected to help businesses grow especially small businesses who currently don't use the mail because they can't afford it and garner millions of dollars in new revenue for the U.S. Postal Service, the agency announced today that it is easing the rules on simplified addressing to allow businesses to begin using the format on city delivery routes. Simplified addressing enables business mailers to use mail delivery route information, instead of names and exact addresses, to reach target customer groups in specific areas. It has long been an accepted addressing option on rural routes and for government mailings. Effective Jan. 2, 2011, simplified addressing will be expanded for use on saturation flat-size mailpieces and irregular parcels delivered on city routes. (Saturation mail is mail that is delivered to every address within a geographic area, and flat-size mail includes large envelopes and fliers often used for advertising. Irregular parcels, such as rolls and tubes, are parcels that cannot be processed on automated equipment because of their unique shape.)"


 The [Court of Appeals](#) has issued an order today that allows the mailers to intervene over the opposition of the USPS


 The [Courier, Express, and Postal Observer](#) has reported that "Congressman Darrell Issa (R-CA), the incoming Chairman of the House Oversight and Government Reform Committee has recently announced the creation of three subcommittees in the next Congress and their chairman. They are as follows:

- **National Security, Homeland Defense and Foreign Operations, Chairman Jason Chaffetz** (R-UT) - This subcommittee appears to have a similar jurisdiction to the National Security and Foreign Affairs Subcommittee. This appointment moves Congressman Chaffetz, who was ranking member of the subcommittee handling the Postal Service, from primary responsibility for developing postal legislation.
- **Regulatory Affairs, Stimulus Oversight and Government Spending, Chairman Jim Jordan** (R-OH) - **This subcommittee appears to have a very broad mandate covering government regulations across both executive departments and independent regulatory agencies.**
- **TARP, Financial Services and Bailouts of Public and Private Programs, Chairman Patrick McHenry** (R-NC) This subcommittee will likely to focus on oversight of agencies dealing with the financial services industry and other industries in which the Federal Government has or will propose to make investment and ensure that both government and private enterprises are held accountable for how they spend taxpayer dollars.

 According to the [Cumberland Times-News](#), "Traditionally, holiday and Christmas greeting cards are a large part of spreading spirit and cheer. However, since the widespread use of e-mail, texting and other Internet activity, the amount of cards being sent via the United States Postal Service is steadily declining across the U.S."


 As [MySanAntonio](#) has noted, "Before too long, the government check will no longer be in the mail. **Officials have settled on the dates when millions of people will no longer be able to get their Social Security and other benefit checks by mail.** New recipients of benefits will have to accept paperless payments starting on May 1 of next year, three months later than first proposed. Those already on Social Security will have until March 1, 2013 to make the switch to direct deposits or a debit card."


 [Zawya](#) has reported that "Senior Saudi Post officials have criticized local banks for failing to help the national postal service effectively implement some of its strategic development plans."


 [Zawya](#) also has reported that "The Emirates Post Group Holding (EPGH) yesterday launched new enhanced mail box options for their corporate clients. Emirates Post and Empost, both part of EPGH, integrated two of their key services PO Box rental and EziMail delivery to offer new services. The improved PO Box rental and EziMail bundle services for corporate customers, comes with enhanced mail pick-up and delivery services as well as other value-added services."


*Have you ever noticed that as long a national posts are fat and happy with a growing mail business, they're more than content to remain state-run services? But as soon as the going gets tough and the mail business looks like it's on the skids, everybody looks to privatize the post. If the*


*concept of a universal mail service is no longer a viable or supportable concept, what makes anyone think some schlemiel would be interested in buying a dying post?*


 [Focu-fen.net](http://Focu-fen.net) has reported that "the Bulgarian parliament adopted some of the amendments to the Postal Services Act. The postal operator must carry out the universal postal service and receives compensation from the national budget when its duty leads to net expenses and is unfair financial burden on it. The size of the unfair financial burden is calculated on the basis of the net costs. The size of the compensation must not exceed the size of the unfair financial burden suffered when carrying out the universal postal service. The amount of the compensation is determined by the National Budget Act for the respective year."


 According to the [Azerbaijan Business Center](http://Azerbaijan Business Center), "Azerbaijan has registered revenue growth in the area of postal services by 23.8% - up to 18 million manats. Experts consider that in the next three years Azerpocht may occupy 20-25% of the financial services market. Azerpocht's tariffs for banking and financial services will be below the market ones. It is predicted that in the near future 60% of Azerpocht's income will fall precisely on the share of banking services. Azerpocht's strategy for 2009-11 says of introduction of new financial and banking services and increase of Company's profitability. The Ministry of Communications & Information Technologies (Azerpocht is under its authority) considers that since 2011 annual profit of the Company will grow up to 20%."


 Postal news from [Hellmail](http://Hellmail):


 [The value in providing a universal service](http://The value in providing a universal service) (from a commercial point of view) is that most of the time an operator is at least delivering mail to every house at least once or twice a week, access that direct marketing companies are happy to buy into, but critics argue that once privatised the cost of delivering mail to some areas where it is already significantly greater than potential revenue, and not helped by declining post office outlets, will see major service cut-backs. **The long term answer here could be a national digital mail service** and leave the parcels network to fight it out, but that would rely on an equally universal access to internet services, something we just don't have right now. It's this transitional period that is vexing most postal operators who for the most part are making the best of a bad job and trying to be all things to all people.

 [Swiss Post](http://Swiss Post), as a public service provider that generates 80% of its turnover in the market and the remaining 20% in competition with electronic service offerings, is to be given more commercial freedom, thanks to new postal legislation by the Swiss chambers of Parliament.


 [Austrian Post](http://Austrian Post) has seen a 12% increase in packages this year. In the last 12 months, the operator has handled 56 million packages, sorted and delivered by approximately 1,500 employees of the Parcel Logistics division - an increase of 12 percent compared to 2009.

 [Realdeal.hu](http://Realdeal.hu) has reported that "Hungarian state postal services provider Magyar Posta Zrt is being investigated over charges of illegal gambling by tax office APEH's Gaming Board (Szerencsejtk Felgyelet) over a promotion called SzerencsESEKK ("lucky check"). The campaign, which was launched in June and runs until the end of the year, allows participants the chance to win back the value of postal checks (srga csekk) if they fill out and mail in a form while they are making the payment."


 As the [New York Times](http://New York Times) has noted, "Cargo safety has suddenly emerged as one of the biggest topics in aviation security. Governments around the world have pledged to tackle the problem, while in Congress, lawmakers are calling for much tougher inspections of cargo. The cargo industry has resisted one idea: screening all cargo. It argues that such a step is impractical since most airports do not have the space to screen all the packages shipped each day. And some goods, including perishable products and medical supplies, may not survive a long wait at the airport to be screened."


 [The Wall Street Journal](http://The Wall Street Journal) has reported that "The head of DHL Express in the U.S. said international shipments in and out of the country are expected to number about 148,000 on Monday, marking its busiest day of 2010 and a 10% to 15% increase from last year's peak. Ian Clough, chief executive of the U.S. unit of DHL Express, a division of Germany's Deutsche Post AG, also said heavy snow and ice in Europe and the U.K. isn't expected to cause major delivery problems for DHL."




 The [Courier, Express, and Postal Observer](#) has told its readers that "In order to promote its buy stamps by mail program, the Postal Service sent out a direct mail piece promoting its holiday stamps. Only problem with the mailing is that it arrived too late for customers to order by mail or internet and receive the holiday stamps before the deadline for mailing Christmas cards passed. While buying stamps by mail may be a great program, this mailing was a waste of money in the same way that advertising that arrives after a sale (or an election) is a waste. When this happens to an advertising mailer every vendor from the advertising agency to the printer to the Postal Service is challenged to find out why the mailing did not arrive in time to have the appropriate impact. If there is evidence that the Postal Service did not meet its obligation, especially in the case of political mail, there are usually news stories that get picked up by many national media outlets."

*December 20, 2010*

 Today marks 4 years to the day since PAEA became the law of the land with the President's signature!

 [Hellmail](#) has reported that "The Communication Workers Union today warned that privatising Royal Mail would be a disaster for Christmas post deliveries. CWU contrasts the financial investment, determination and commitment of staff at Royal Mail with private couriers and supermarket delivery companies which are cancelling deliveries."



 [Advertising Age](#) has reported that "MagnaGlobal said internet passed newspapers in 2010 ad revenue, moving internet to No.2 ad medium behind TV. Its figures show Internet ads topped magazines in 2007 and will pass overall print media' in 2014."

 **PostCom welcomes its newest member: [Kantar Operations](#)** 2700 Oregon Road Northwood, Ohio 43619-1057 Contact: **John McGaharan, III Director, Operations**




*The U.S. Postal Service Office of Inspector General invites you to comment on this weeks [Pushing the Envelope](#) blog topic:*


- **Scanning the Horizon Use of Intelligent Mail Barcodes to Measure Service Performance.** The Postal Service implemented full-service Intelligent Mail Barcode mailer certifications procedures to ensure mailings meet appropriate business mailing rules. This weeks blog explores this process. [LINK](#) here to give your thoughts.


**New Audit Projects:** [LINK](#) here to visit our audit project pages. This week we opened the following new project(s): (Please share any information you may have that would help with this audit currently in progress by clicking on the link below):

- **FY 2011 FTC Oversight Review DMU 11BR006FF000.** Postal Service Financial Testing Compliance (FTC) analysts perform operational effectiveness testing on key internal controls in the field. This OIG project aims to provide oversight of FTC Business Mail Acceptance (BMA) site testing. We will conduct reviews at selected sites and issue management advisory reports after each site visited. We plan to summarize the oversight results into an advisory report at the end of the fiscal year.


 [CNN](#) had a piece yesterday on the Postal Service.


 [CNN](#) has reported that "Britain's Royal Mail has added nearly 14,000 extra rounds for its postal deliverers, hoping to clear a huge holiday backlog caused by winter weather woes. The service said it planned to complete 7,000 extra delivery routes Sunday, bringing packages, cards and letters to a million homes and addresses in an effort to catch up on deliveries during what it calls Britain's coldest December in decades."


 [Zawya](#) has reported that "Emirates Post Group Holding (EPGH) has launched new improved PO Box rental and EziMail bundle services for corporate customers, with enhanced mail pick-up and delivery services as well as value added services."


 The [National Association of Major Mail Users](#) has told its members that "Canada Post is solidly prepared for the peak mailing season to ensure the higher volumes of mail will be delivered in time for the holidays. Beginning the weekend of December 4, packages have been delivered on Saturdays, Sundays and weekdays until 9 p.m. and this will continue throughout December. Extra flights have been added to the national air network as well as 50 additional highway services to complement the more than 1,400 trucks that regularly move mail across the country on a daily basis. Canada Post also moves 10 tractor loads of mail by train each business day."


### *December 19, 2010*


 According to [The Australian](#), "despite an increase in parcels, Australia Post is losing money on letters and is set to close 27 post offices."


 [Dead Tree Edition](#) is on the warpath. It wants to know "Will the U.S. Postal Service ever learn how to create sensible regulations, or will it continue to find new ways of making the same mistake over and over again? Mailers and their vendors have been saying for months that the Postal Services information systems were not ready for it to assess noncompliance penalties for Full-Service Intelligent Mail barcodes (aka FUBAR codes). But in this case, all of the brave "Mission Accomplished" talk from Intelligent Mail executives apparently prevented LEnfant Plaza from realizing the truth until the eleventh hour."


 The [Pittsburgh Tribune-Review](#) has told its readers that the "U.S. Postal Service looks past busy season to tough year."

 According to the [Daily Mail](#), "Europe must not meddle with our stamp of quality."

 [AFP](#) has reported that "The government insisted Sunday it was closing a loophole that could see Queen Elizabeth II's head removed from stamps if the Royal Mail national postal service is sold to a foreign firm." See also the [Daily Mail](#).


 The [Texarkana Gazette](#) has noted that "While Texarkana is fighting to keep its postmark and mail processing center open, the United States Postal Service is struggling to remain relevant to its customers and keep its costs under control."


 [KSPR](#) has reported that "Fort Smith postal employees protesting a proposed change that could lead to them losing their jobs."


 The [Columbus Dispatch](#) has noted that "Internet sales spur deluge of packages."


 The [Daily Telegraph](#) has reported that "Australia Post has earmarked 27 post offices around the country for closure from December 31. Despite the busy Christmas mail season, Australia Post has also cut post office opening hours. The move follows a drastic slump in profits in the past year as customers abandon regular postal services for new-age communication. For the first time last year, Australia Post lost money on posting letters."

### *December 18, 2010*


 [GoErie](#) has reported that "U.S. Rep.-elect Mike Kelly has been named to the House Oversight and Government Reform Committee for his first term in Congress."

 [Tuscaloosa News](#) has reported that "The post office branches in Alberta and Cottdale could be shut down by the United States Postal Service just after the new year. Tuscaloosa City Councilman Kip Tyner said he heard from U.S. Postal Service employees that the branches would be closed by Jan. 15."


 [Viet Nam News](#) has reported that "P&T Express Joint Stock Company (VNPost Express) and GeoPost Intercontinental SAS (GeoPost) under La Poste Postal group (France) have signed a Memorandum of Understanding (MoU) in providing express parcel and logistical services in Viet Nam. Under the MoU, VNPost Express and GeoPost will supply high-quality and economical national and international parcel services within GeoPost and VNPost Express networks. Through the MoU, La Poste expressed its desire to strengthen the co-operative relationship between Viet Nam and France Post, while exploring opportunities to raise their position in international postal market through co-operation, direct investment and M&A."


 Postal news from [Hellmail](#):

- [Express Benchmarking Report Published](#)
- [Courier And Parcel Firms Say Some Customers Could Be Left Disappointed](#)
- [Royal Mail To Raise Cost Of Sending Letters And Parcels](#)
- [Scottish Courier Firm Warns Of Financial Losses If Country Again Becomes Snowbound](#)


 In an op-ed piece published by the [New York Times](#), Michael Ravnitzky (Chief Counsel to the Chairman of the Postal Regulatory Commission) wrote that "the Postal Service recently announced it had lost \$8.5 billion in the last year, despite cutting more than 100,000 jobs. Without new revenue and other changes to get it back on a firm financial footing, it said, it could face insolvency by the end of 2011. Fortunately, the service has a unique asset that could allow it to make money by collecting valuable data that would contribute to the countrys safety and economic health: its far-reaching network of trucks."

*December 17, 2010*

 **DMM Advisory: Letter to MTAC from MTAC Co-Chair. We are delaying Full-Service eDoc postage corrections, which we had planned to deploy on January 2, 2011**, to give mailers more time to use information from a new report to help correct errors in their electronic documentation. The new publication *PostalOne! Full-Service Error report* allows eDoc submitters to review the quality of submissions, identify jobs with errors, and calculate the correct postage. This report also allows the eDoc submitter to request reconciliation of identified errors. We encourage mailers to take advantage of the reconciliation process and use the feedback to correct Full-Service eDoc issues. In addition, enhancements to the *MicroStrategy Mail Data Quality reports* provide detailed information on piece counts and postage amounts for pieces that are not compliant with Full-Service requirements. Mailers have begun using these two reports *MicroStrategy Mail Data Quality* and *Full-Service Error* to assess the quality of their eDoc. We are continuing to work through the MTAC 137 group to address mailers concerns. Please be sure to utilize the *MicroStrategy Mail Data Quality reports* and the *PostalOne! Full-Service Error reports*. Also, tell us about any issues you have with the *PostalOne!* help desk, 800-522-9085.

 [Bloomberg](#) has reported that "Posta Romana SA, Romanias state- owned postal monopoly, was fined 103.3 million lei (\$32 million) by the national competition authority for abusing a dominant position. The regulator ruled that the postal company violated the law in two cases by offering lower tariffs to certain companies, to the detriment of their competitors, according to a statement published on the regulators website."

 [Fast Codesign](#) has a piece on "How the USPS Can Rebrand Itself: Clever Pop Up Shops."

 According to the [TalkOfTheTown](#), "Moving Alexandria's mail-processing operation to Shreveport might be the right move, Alexandria Mayor Jacques M. Roy said, but so far there hasn't been enough information provided by the U.S. Postal Service to support it."




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


- The Postal Regulatory Commission (PRC) has approved the U.S. Postal Services three price adjustments and related classification changes for First-Class Mail and Standard Mail. The Move Update Assessment Charge threshold will change from 70 percent for presorted FCM and all Standard Mail to 75 percent. The PRC also provided clarification on the unused rate authority available to the USPS.
- The November figure for the average change in CPI-U calculated over a 12 consecutive month period was published this week. The 12-month published average was 1.741%. In its decision in Order 606, the Postal Regulatory Commission has told the Postal Service that it now faces two possible answers to the question of how much available rate authority does it have. According to the PRC, changing the threshold for Move Update compliance constitutes an increase in rates. Consequently, the maximum permissible percentage rate change will be different depending on whether or not the USPS elects to implement the Move Update compliance change.
- There are a host of postal changes which take effect on January 2, 2011. PostCom provides a quick list of those changes mailers need to be prepared for.
- APWU, USPS announce freeze on excessing. USPS extends use of simplified address format. Postal Service names new Chief Info Officer. Senators urge USPS to keep Texarkana facility. Senator Carper responds to Washington Post editorial. NAPUS responds to Washington Post editorial. USPS newest org chart. 85 jobs cut as FedEx closes in Elk Grove. GAO reports on how to rightsize USPS. A bailout for the USPS? From the USPS, without love. FedEx single-day shipping record: 16 M packages.
- An update on DMM Advisories issued by the U.S. Postal Service.
- An update on postal rules and notices published in the Federal Register.
- An update from the USPS Office of Inspector General.
- A review of postal news from around the world.
- Postal previews


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





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 [Digital Nirvana](#) has reported that "eKey Technologies is the design and technology division of Butler Mailing Services. Butler appears to be a very untraditional provider of traditional letter shop services. They have slowly expanded their business beyond their core letter shop print and mail services to become a technology, design and consulting services provider to mailers and to other service providers."


 [Fox Business](#) has reported that "German trade union Verdi said Friday that the 5,000 employees working in Deutsche Postbank AG branches will get salary increases of a total of 4.7% and longer protection against dismissal. It said the salaries of the 5,000 employees and trainees will be increased in two different stages, starting on February 1 and ending on May 31 2013, to total 4.7%. In addition, the agreement includes protection against dismissal until December 31 2013, Verdi said. Postbank AG has 1,000 branches in Germany offering postal and financial services."


 [All Headline News](#) has reported that "The Supreme Court of Canada will tackle a pay equity dispute between Canada Post and the Public Service Alliance of Canada that has been ongoing for almost three decades."


 According to the [Wall Street Journal](#), "As a child the holidays started at our house at least in my imagination not in December but in November. That's when the FAO Schwarz toy catalog arrived. It's hard now, in this age when everything, at least virtually everything related to commerce and consumption, is only a click or two away to conceive of a time when one's dreams were funneled through the United States Postal Service."


 [Post & Parcel](#) has reported that "Royal Mail will raise the price of a First class stamp by 5p to 46p, as a part of a wide-range of postal service price increases in the UK. The operator also announced that Second Class stamps will rise 4p to 36p, whilst the cost of a large letter stamp will rise by 9p to 75p for First Class items and 7p to 58p for Second Class mail, Stamp price rises will take effect from 4 April 2011, the company announced." See also the [UK Press Association](#), [The Independent](#), and [The Guardian](#).


 Postal news from [Hellmail](#):


 [Deutsche Post DHL](#) announced today the launch of two new environmentally friendly products. Global Forwarding customers can now obtain a new "Carbon Footprint Report" which offers them a detailed overview on the CO2 emissions generated by their shipments per trade lane. Additionally they can compensate the CO2 emissions of their shipments by choosing the "Carbon Offsetting" option.


 [TNT Post and Dutch postal unions](#) may have reached a settlement, putting an end to a spate of walkouts in the Netherlands that have disrupted pre-Christmas deliveries. The company said it had offered to reduce redundancies by a further 500 by delaying parts of its reorganisation plans and relocating other workers. The deal is to be put to members of the CNV and FNV unions.


 UK Minister for Postal Affairs Edward Davey today announced the appointment of [four Commissioners to the Board of Postcomm](#), the regulator for postal services. Mike McTighe, Lord Blackwell, Stuart McIntosh and Wanda Goldwag have been appointed to help support the transfer of regulatory responsibilities from Postcomm to Ofcom. These are short-term appointments, which will come into immediate effect.


 **[From the Federal Register: Postal Regulatory Commission NOTICES](#)** New Postal Products , 7905379054 [201031657] [\[TEXT\]](#) [\[PDF\]](#) 7905479056 [201031671] [\[TEXT\]](#) [\[PDF\]](#) **[Postal Service RULES](#)** Conduct on Postal Property , 7891578916 [201031775] [\[TEXT\]](#) [\[PDF\]](#)


 [Westlaw News & Insight](#) has reported that "federal district judge ruled on Tuesday in FedEx Corp's favor in the vast majority of lawsuits brought by drivers seeking union representation. In a multi-district case, U.S. District Judge Robert Miller in South Bend, Indiana, found in most of the cases that Memphis, Tennessee-based package delivery company FedEx had not improperly classified drivers as independent contractors rather than employees. "We are very pleased with today's significant rulings from the Federal District Court in Indiana in favor of FedEx Ground related to the independent contractor business model," FedEx spokesman Maury Lane said." See also [Reuters](#).


 The [Journal of Commerce](#) has reported that "FedEx signed an agreement to acquire MultiPack, a Mexican domestic express package delivery company."


 As the [Washington Post](#) has noted, "At least two Democrats are fighting to become the chief sparring partner of the top Republican on the House Oversight and Government Reform Committee in the new Congress after the panel's current chairman decided against serving as ranking member in the new Congress. The committee's broad jurisdiction includes oversight of the U.S. Census Bureau, the U.S. Postal Service, the National Archives, general government and Executive Branch operations and issues concerning the District. Committee Chairman Edolphus Towns (D-N.Y.) withdrew his name from consideration Tuesday "after much thought," a spokeswoman said with little other explanation. Towns is supporting the committee's second-ranking Democrat, Carolyn Maloney (D-N.Y.), to succeed him, citing her seniority. Maloney launched her bid Tuesday by citing Republican opposition to a Census Bureau reform bill she sponsored."


 [City A.M.](#) has reported that "US stocks, bucking a trend of late-day selloffs, ended higher yesterday as economic bellwether FedEx offered a bullish profit outlook that augured well for broad growth." See also [Bloomberg Business Week](#).


 The USPS has announced in [MailPro](#) that there is "Good news for Priority Mail Commercial Plus customers a brand new product for January 2011 Critical Mail. This new offering is an attractive marketing tool that will help companies and organizations attract and retain customers. Critical Mail will travel in the automation mailstream, a proven method for fast, consistent time-in-transit delivery performance. To qualify, customers must have a customer commitment agreement with the Postal Service and mail 5,000 or more Critical Mail letters and/or flats during a calendar year. Critical Mail is charged one price across all destination zones regardless of weight \$3.50 for letters and \$4.25 for larger flat-sized envelopes. To sweeten the Critical Mail deal, optional electronic Delivery Confirmation service, which allows customers to confirm delivery, is included for free."


 [Federal News Radio](#) has noted that "For months we've been hearing that the Postal Service would be able to improve its bottom line if only it changed its prefunding levels for pensions and retiree health benefits. The Inspector General for USPS has taken the initiative and conducted a review to see for themselves. The office looked at public and private sector benefits and has just released its findings. "We're looking at ways, obviously, that the Postal Service can improve its financial condition," Lorie Nelson told Federal News Radio. She's the director of financial reporting in the office of audit for the U.S. Postal Service Office of Inspector General. One of issues the office reported on previously was overfunding of pensions and now they have looked at pre-funding requirements. "We found some very interesting things," said Nelson." [http://icestream.bonnint.net/dc/fnr/skimmer/WFED\\_SKIMMER\\_12-16-2010\\_0807.mp3](http://icestream.bonnint.net/dc/fnr/skimmer/WFED_SKIMMER_12-16-2010_0807.mp3)

 [Multichannel Merchant](#) has asked: "So where do we stand with FSS?" and "Will that translate to lower pricing for mailers?"

 The [Daily Yomiuri](#) has reported that "Japan Post Bank is considering opening its first overseas office in London by the end of next year, aiming to obtain the latest financial information there to help diversify its asset management schemes, sources said Thursday."


 [Government Executive](#) has reported that "The U.S. Postal Service and the American Postal Workers Union have put employee reassignments on hold as negotiations over a new collective bargaining agreement continue. APWU's contract expired on Nov. 20, but both parties decided to extend the agreement, first to Nov. 23 and again until Dec. 1. The contract continues day by day and will remain in effect until differences are resolved or an impasse is reached, USPS spokesman Mark Saunders said."


 [Hellmail](#) has reported that "FICORA, the Finnish telecommunications regulator, last week published its review of postal and media market conditions in Finland. Notably it said that whilst Internet viewing was on the rise, there was little competition in the delivery of letters, newspapers and magazines."


 [Grayhair Software](#) has told its customers that the January 2, 2011 Full Service Assessments are being delayed due to Industry reported issues. A DMM Advisory will be coming out announcing the delay along with the new implementation date. This will give the USPS and Industry the time required to address the existing reported issues. Industry is encouraged to report any issues or discrepancies that they are experiencing with the VAE (Verification Assessment Evaluator) role or errors in the Microstrategy Reports. We encourage you to continue to move forward at the same pace to make sure that you are ready and that you are producing Full Service mailings according to specifications. And as always, GrayHair is here to help. Mailer ID Survey. The Postal Service is asking Industry to fill out a survey to help them determine requirements for changes to the Mailer ID (MID) functionality in the Business Customer Gateway. GrayHair encourages you to fill out the survey so that your voice can be heard as far as what changes and enhancements are important to you. The survey can be found here: [http://ribbs.usps.gov/intelligentmail\\_mail\\_id\\_app/documents/tech\\_guides/MIDSurvey.doc](http://ribbs.usps.gov/intelligentmail_mail_id_app/documents/tech_guides/MIDSurvey.doc)


*December 16, 2010*


 The Lexington Institute has published its latest "[Postal TrendWatch](#)."


 **DMM Advisory: New MailPro Available.** The November-December MailPro [[HTML](#)] [[PDF](#)] is available now on [usps.com/mailpro](http://usps.com/mailpro). You'll find informative articles on the retirement of Postmaster General John Potter, the 2011 Shipping Services prices, highlights and frequently asked questions about the new shipping prices, new Critical Mail and Regional Rate Box offerings, and more. Customers can access current and past issues of MailPro online or subscribe by sending an e-mail to [mncsc@usps.com](mailto:mncsc@usps.com). Include your name, title, company name, complete delivery address, and daytime phone number.


 From the [Postal Bulletin](#): "Effective January 2, 2011, the Postal Service will revise Mailing Standards of the United States Postal Service, Domestic Mail Manual (DMM) 345.6.9.4, 445.7.6.4, 507.1.2.3, and 602.3.2 to remove a restriction on the use of simplified addressing for saturation flat-size mailpieces and irregular parcels that are delivered by USPS city carriers or to Post Office (PO) boxholders at Post Office locations with city delivery service, and to add reference to new standards related to updated delivery sequence data for use on mailpieces bearing a simplified address. This revision provides mailers of Standard Mail saturation (carrier route) flats and irregular parcels the option of using simplified addresses (typically, "Postal Customer") in lieu of complete delivery addresses, and eliminates the need for mailers to maintain an updated database of delivery-sequenced specific addresses."


 **Press Release:** "Quad/Graphics, Inc. (NYSE: QUAD), the second largest provider of print, digital and related media services in North America, announced today that it has created a new Commercial and Specialty print division that combines recently acquired HGI Company operations in Burlington and Menomonee Falls, Wisconsin, with the commercial and book operations in Enfield, Connecticut, and Leominster, Massachusetts. Quad/Graphics purchased the Enfield and Leominster plants earlier this year as part of its acquisition of Worldcolor. In addition, the company will invest \$13 million in equipment and facility expansions in 2011 for the commercial and specialty platform. The investment includes the addition of digital and conventional presses with industry-leading capabilities for short- to medium-run commercial work as well as specialty print, such as large-format in-store signage and displays."


 **DMM Advisory: FSS Standards Coming January 2nd.** Today, the [Postal Bulletin](#) published the upcoming DMM standards for the optional preparation of flat-sized mailpieces in Flats Sequencing System (FSS) zones. These standards were previously provided in the *Federal Register* notice dated August 23, 2010 (75 FR 51668-51671), and were communicated to the mailing industry in a *Postal Bulletin* advance notice on September 23, 2010 (PB 22294). Mailers may begin preparing their mailings in accordance with these new standards on the effective date of January 2, 2011, but are advised that the Postal Service intends to provide additional modifications to the standards in the February 2011 DMM update.


 **Yahoo! News** has reported that "Pew Internet has updated its data on how different generations are using the Internet for 2010, and the results clearly show that the older generations are catching up with younger Internet users, even surpassing them in some online activities."


 **IT Reseller** has noted that "RFID has created substantial supply chain efficiencies. But there's a bigger shift coming: what if logistics management didn't require the use of databases because inventory tracked itself? And what if goods could intelligently reroute based on need and efficiency? It would make no difference whether products were warehoused on another continent, rolling down the highway on a tractor-trailer, or deep in the bowels of a container ship. In seconds, you could account for every single product anywhere between manufacture and customer purchase."


 According to the [Financial Times](#), "FedEx, the second-largest US package-shipping company, reported disappointing quarterly results on Thursday as legal expenses and restructuring costs cut into profits."


 From [PRNewswire](#): "Experian Marketing Services, a leading provider of data management, analytics and marketing technologies to help organizations identify and engage their customers more effectively across digital and traditional media, today announced a partnership with GrayHair Software, a leading provider of innovative solutions for business mailers. Clients of Experian Data Management Services, a part of Experian Marketing Services, can now track their mailings utilizing the GrayHair SelectTrak software. The mailing data information will be accessible through an online dashboard that provides a view into the delivery timeline. All mailing data is updated in real time, allowing delivery scans by date, job scans by state and the ability to produce ad hoc reporting as needed. With these reports, clients can check the status of a mailing on the Web and receive emails regarding the status of their mailings."


 As [European Voice](#) has noted, "Postal service monopolies are due to end in most of the EU on 1 January, amid criticisms that there is still little real competition in the sector. When the EU's third directive on the liberalisation of postal markets comes into force at the beginning of 2011, a further 11 countries will be obliged to allow new providers to compete against national incumbents on the last and largest sub-sector to be liberalised, letters under 50 grams. They will join the six member states that have already introduced full liberalisation, theoretically opening up 95% of the internal postal market to competition. In the remaining ten member states, the deadline for full liberalisation is still two years away. At the beginning of next month, Estonia, Finland, Germany, the Netherlands, Sweden and the UK will be joined by Austria, Belgium, Bulgaria, Denmark, France, Ireland, Italy, Malta, Portugal, Slovenia and Spain in opening up their postal markets."

 [Supply Chain Standard](#) has reported that "DHL Express has appointed Stephen Fenwick chief executive for the Americas."


 [KOMU](#) has reported that "Columbia City Council and the Columbia Post Office are working to find a way to fix the ongoing problem of cars parking in front of mailboxes. Last Monday residents complained at the city council meeting they haven't been receiving their mail because of parked cars in front of their mailboxes. The postal carriers are not allowed out of their vehicles and therefore can't deliver their mail. The council tabled the issue until January, but have been discussing with postmaster Cindy Bolles about actions the city can take to fix the problem."


 The [Nigerian Observer](#) has reported that "The National Union of Postal and Telecommunications Employees (NUPTE) has said in Abuja that reforms in the postal sector should not lead to job losses. Mr. Sunday Alhassan, the National President of NUPTE, told newsmen that the proposed reforms in NIPOST could lead to job losses if necessary measures were not taken. He said that rather than lead to job losses, the plan should lead to improvements in the welfare of NIPOST workers."


 [Transport Intelligence's](#) latest report - [South America Transport & Logistics 2011](#) - provides a 360 degree view of the market, addressing all the major issues throughout the region. It contains analysis of the latest trends and developments affecting the region and provides insight into the key transportation sectors (air, sea, road and rail), detailing the challenges which face the region and problems of under investment.

 [Radio Netherlands](#) has reported that "Postal strikes in the Netherlands have been averted now that Dutch postal company TNT has reached agreement with the unions on limiting the number of forced redundancies announced by the company." See also the [Wall Street Journal](#) and [DutchNews](#).


 [Hellmail](#) has reported that:


 The [Royal Mail](#) announced today that it is to step up deliveries on Sundays in an effort to clear backlogged mail as colder weather returns to northern parts of the UK including Scotland.


 [Estonian Post](#) said yesterday that the quantity of direct mail it now handles, destined for other countries, is on the increase.

 [NBC4i](#) has reported that "The U.S. Postal Service decides to close a Columbus post office after continued decline in mail volume. According to USPS representatives, the Olde Towne Station at 1035 McAllister Ave. in Columbus will close at the end of January next year."



 The [APWU and the Postal Service](#) have agreed to a freeze on excessing while contract negotiations continue, union President Cliff Guffey has announced. Throughout the bargaining process, the APWU has sought to negotiate a contract that would protect jobs and lessen the pain of excessing for our members. We are pursuing those goals, he said.

 According to [Hellmail](#), "Royal Mail Volume Declines And Competitor Volume Increases."


 [CBSAtlanta](#) has told its viewers that "If you still plan to mail packages this holiday season don't forget to address them properly. If a package is lost in the mail it could end up at the Mail Recovery Center in Atlanta where items are auctioned off if not returned to the rightful owner."



A new report has been posted on the *U.S. Postal Service Office of Inspector General* website (<http://www.uspsoig.gov/>). If you have additional questions concerning this report, contact Agapi Doulaveris at 703.248.2286.

- [San Francisco District Risk-Based Post Office Audit \(Report Number FF-AR-11-003\)](#)

*December 15, 2010*

 **DMM Advisory: Deadline Extended to Apply for New Incentive Programs Reply Rides Free Webinar Scheduled This Friday.**

In November, we filed a request with the Postal Regulatory Commission (PRC) for two new Mailing Services incentive programs the Reply Rides Free First-Class Mail Incentive Program and the 2011 Saturation/High Density Standard Mail Incentive Program. The PRC approved our request last week and these programs will be implemented on Jan. 2, 2011. There's good news for mailers who want to participate in these incentive programs we have extended the deadline to January 31, 2011. In addition, Steve Monteith, manager of our Transactions and Correspondence department, will host a Reply Rides Free informational webinar this Friday, Dec. 17, 1-2 p.m. EST. There are 200 virtual seats for this session. To attend the webinar and join with audio: 1. Go to: <http://meetingplace4.usps.gov/join.asp?2754280>. 2. When the MeetingPlace window opens, click the Phone icon (under the Participant List or in the upper right-hand corner). 3. Click *Connect Me*, then type, validate or update your phone number and click *Connect Me* again. 4. When the system calls you, press 1 to join. To attend by audio only, call 866-966-6305. The meeting ID is 2754280. For more information about both incentive programs, and to apply, visit the following websites  
Reply Rides Free: <http://www.usps.com/promotions/firstclassmailincentive.htm>  
2011 Saturation/High Density Standard Mail Incentive Program: <http://www.usps.com/promotions/saturationhd.htm>.

### There's More to Mail Than Meets the Eye

There's no shortage of clever messages and great ads. From the moment we arise to the time we turn off the lights, life is filled with commercial messages that compete for our time and attention.

But not all messages are the same. Some break through the clutter, catch our interest, and cause us to respond.

For generations big companies that were once small -- and small companies that wanted to grow -- have known that mail offers values that are special and unique.

Mail stands out. It can be targeted to reach just the right folks with just the right interests. It can produce results that are clear, immediate, and measurable. It is the only medium that delivers videos to see, samples to try, and coupons to save across a wide array of products.

People trust mail. It is a form of communication that has been used to transmit values, share concerns, and build support for more than a century. Little wonder that marketing trends come and go, but mail is successful year after year.


*Mail. It's The Medium That Delivers.*

A message brought to you by:





Association for Postal Commerce


1421 Prince St., Ste 410 \* Alexandria, VA 22314-2806 \* Ph.: +1 703 524 0096 \* Fax: +1 703 997 2414

 [Sky News](#) has reported that "Hundreds of postal workers have staged a sit-down protest outside Parliament during a demonstration against plans to privatise the Royal Mail."

 [Hellmail](#) has reported that "Former Postwatch head Millie Banerjee CBE, is to become the new Chair of UK postal regulator, Postcomm."


 [Macedonia Online](#) has reported that "It's public knowledge that Macedonian postal workers open envelopes as they please hoping to find money or expensive products. This is why numerous online shops remove Macedonia from the list of mailing destination."


 [KCAU](#) has reported that "The U.S. Postal Service has decided to scale back its operations by closing a downtown post office in Aberdeen and one in downtown Yankton. The Postal Service says it's part of a nationwide effort to be more efficient and cut costs in the face of declining mail volume and customer traffic."


 [Dead Tree Edition](#) has told its members that "If only every Postal Service delay were this beneficial to customers . . . The maximum 2011 price increase on most types of mail dropped a bit this morning because the U.S. Postal Service did not submit price increases before the Consumer Price Index for November was released. The price cap on such market-dominant classes as First-Class, Standard, and Periodicals dropped to 1.741%, down from 1.799% if USPS had announced price increases before today. The cap is likely to drop below 1.65% if the Postal Service waits for the December CPI to be released on Jan. 14 before submitting 2011 price increases."


**[How 2's for the USPS Business Customer Gateway - Going e](#)**


***Join PostCom members Rose Flanagan, Data-Mail, Inc.; Lisa Bowes, intellisent; and Wanda Senne, World Marketing so you can be a part of the new e-evolution for mailing information that starts with the launching pad for the USPS "e" direction the Business Customer Gateway. The webinar is stored at <https://www1.gotomeeting.com/register/489468681>.***


 The [Courier, Express, and Postal Observer](#) has asked: "How will the 1.8% increase affect Bulk Rates?" It also has reported that "Yesterday, [Transforce, Inc.](#), one of Canada's largest transportation companies announced that it had reached an agreement to purchase Dynamex, North America's largest same day courier. The purchase will more than double Transforce's revenue from parcel delivery with its total North American revenue after the acquisition running around \$800 million U.S."

 The [Postalnews blog](#) has reported that "The Postal Service recently marked the third anniversary of its first fully-operational Flats Sequencing System (FSS) at the Dulles, VA, Processing and Distribution Center (P&DC) a milestone in the way the Postal Service sorts flats. FSS technology also has helped the Northern Virginia District reduce costs. The district has eliminated 150 letter carrier routes, reduced letter carriers base delivery time by more than 400,000 hours each year and lowered rural carriers delivery time by more than 75,000 hours annually. Reducing routes produced additional savings by making it possible to reassign long life vehicles to rural carrier routes. FSS has removed a significant number of workhours and we continue to see improvements weekly, said Northern Virginia District Manager Michael Furey. These savings will allow us to pay for the machines quickly. The Postal Service plans to have 100 FSS machines deployed and operational at 47 locations nationwide by the summer of 2011. Currently about 20 machines are fully operational at eight sites."

 The [New York Times](#) has reported that "publishers are making headway in converting their enormous libraries of illustrated titles to e-books, hoping to capitalize on the growing popularity of the Apple iPad and the Nook Color and their ability to showcase books with color photographs and illustrations."

 [Bloomberg](#) has reported that "TNT NV offered the Dutch labor unions to reduce the planned forced redundancies at its postal unit to 2,550 from 3,100, the company said today in a newspaper advertisement. TNT Post will pay about 250 million euros in premiums and additional contributions to its pension fund this year, which is not sustainable if it wont reorganize, the company said. Postal volumes will further decline the coming years, TNT also said."

 The [Derbyshire Telegraph](#) has reported that "Royal Mail bosses say they are confident all letters and parcels will be delivered in time for Christmas, despite more snow has been predicted."

 [Hellmail](#) has reported that "Strike action as TNT Post (Netherlands) continues this week with no sign of a breakthrough. The row over proposed job cuts looks set to severely disrupt Christmas collections and deliveries in Holland in the run up to Christmas. The company today fought back with a newspaper advertisement, explaining why the strike was continuing to roll on and how it had already compromised on the scale of job losses. Last week it described the industrial action as "irresponsible" and warned that without reorganisation, postal volumes would decline even further in the coming years."

## Have You Heard About The Latest In Communication Technology?

Two geeks were emailing back and forth about the discovery of a new, fantastic, communication medium.

It could be made of materials that are thin and light.

It could present information sparingly or intensely, in black and white or color.

It could be read easily in the brightest or faintest of lights.

It could be used without requiring the consumption of electrical energy.

It could be made from resources that are totally renewable and recyclable.


It could be carried easily and could be folded and pocketed.

Best of all . . . it could be sent to anyone anywhere around the world.

This phenomenal medium is called . . . "paper." And when you put a stamp on it, they call it "mail."


*Mail. It's The Medium That Delivers.*


A message brought to you by


  
**PostGom**


Association for Postal Commerce


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

 The Dutch unions FNV Abvakabo (9,000 TNT members) and CNV (1,250 members) called for another strike this week. With this 24-hour strike - which will start on Tuesday night at 11 pm - the unions hope to put pressure upon the parliament, which will discuss the liberalisation of the postal market on Wednesday.


 British postal union CWU called on its members to join in a national protest on Saturday over the privatisation of Royal Mail.


 Munich based Sd-Post GmbH & Co. KG, one of Germany's bigger privately owned mail services, is insolvent. The company's shareholders are Sddeutsche Zeitung Logistik, newspaper publishing company Oberbayern, TNT Post Holding GmbH and MeDiaLog GmbH & Co. KG.

 The sale of its real estates will produce triple-digit million extraordinary income for Austrian Post.

 According to unanimous media reports the company already filed a lawsuit against Deutsche Post with the regional court of Cologne. One could call it sabotage, a manager of United Internet told business journal Wirtschaftswoche (9.12). Deutsche Post didnt allow De-Mail providers to use the so-called Postident method to verify the identity of users.

 At least 200 of the 3,500 jobs at DHL Express in the Netherlands will be cut.

 French Banque Postale has started to sell insurances last week.

 Swiss Post International UK co-operates with Arctic Media with immediate effect. The company which specialises in international letter services will become a so-called premium partner of SPI and will be rebranded as SPI North Limited. SPI said, partnering with Arctic Media it will become possible to target customers in Northern England, the Midlands, Scotland and Wales.

🇩🇪 Nugg.ad announced expansion plans just a few weeks after the take over by Deutsche Post. The target-group specific online advertising specialist plans to expand especially in European markets.

🇦🇺 Australia Post plans to focus more on the financial service sector.

🇫🇷 The contract with Jean-Paul Bailly (64), CEO of French La Poste, will be extended for five further years. The formal re-appointment is supposed to take place before the end of this year.

🇩🇪 Deutsche Post CEO Frank Appel will resign from his office as chairman of the supervisory board of former subsidiary Postbank by the end of the year.



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

🇺🇸 According to [Politico](#), "6,600 pet projects lawmakers from both parties and both chambers have been stuck inside an enormous spending bill unveiled by Senate Democrats on Tuesday, according to government watchdog Taxpayers for Common Sense. The release of the \$1.1 trillion dollar omnibus bill, including \$8 billion in earmarks, quickly reignited the fight over pork-barrel spending in the final days of the lame-duck session." *[EdNote: And not a dime's bit of work has been done to end the \$5.5 billion needless annual drain of postage dollars used just to subsidize congressional pork.]*

🇬🇧 [Sky News](#) has reported that "Protesters will hold a rally against plans to privatise Royal Mail as a union leader warns it will "end the postal service as we know it". See also [Marketing Week](#).

🇺🇸 [Roll Call](#) has reported that "Rep. Elijah Cummings (D-Md.) will face off Wednesday morning against Rep. Carolyn Maloney (D-N.Y.) for the ranking member position on the House Oversight and Government Reform Committee in the 112th Congress."

🇺🇸 According to the [Arizona Republic](#), "The holiday-shipping season is like a two-part tonic for private couriers and the Postal Service."

*December 14, 2010*

🇮🇳 The [Financial Times](#) has told its readers that "Indias logistics infrastructure was developed in the colonial era to transport troops and agricultural products. Since then, India has become one of the fastest growing economies in the world, but its logistics infrastructure remains woefully inadequate to fulfil the demands bestowed on it by the countrys new-found status. Recognising this, the Indian government has tripled its spend on logistics infrastructure from \$10bn in 2003 to \$30bn in 2010. But is an increased outlay sufficient to overcome this deficit? We argue not."

🇨🇦 The [Toronto Sun](#) has reported that "While most older people still prefer the tensile feel of a printed card, younger people are increasingly decking their halls with those sent via cyberspace, according to a poll conducted for Canada Post. A spokesman said postal officials were surprised to see more cards mailed than in 2009. Our volumes are up about 2% right now compared to last year, spokesman Anick Losier said Tuesday."

🇹🇭 The [Bangkok Post](#) has reported that "With the goal of reaching logistic revenue of 10 billion baht, Thailand Post has expanded its partners through eBay and widened its services while taking advantage of the country's position as a logistic hub in Asean."

🇺🇸 According to [Printing Impressions World](#), "Good news was difficult to find in 2010 for the printers of direct mail, not to mention the direct marketing community. Even the United States Postal Service (USPS) struggled in its continuing efforts to offset dwindling volume and out-of-control costs, having seen its request for an exigent price increase denied in late September by the Postal Regulatory Commission. Failure to reap an increase in excess of the rate of inflation which the USPS claims would have generated \$2.3 billion in much-needed revenues is something of a blessing for the mailing community (the USPS is appealing). The Postal Service is exploring other avenues and using other tools to bridge the gap to its fiscal obligations, which for the time being still include a \$5.5 billion payment to pre-fund its retiree health benefits. The USPS remains in a state of flux."

🇺🇸 According to the [Postalnews blog](#), "The US Postal Service filed formal 8-K notifications with the PRC of two of its recent executive changes. According to the filing, Steven Kearney, Senior Vice President, Customer Relations, is no longer an executive officer as that term is defined in the rules adopted under the Securities Exchange Act of 1934". As we noted last week, Kearney retains his previous title, but no longer reports directly to the PMG, and was not included in the new PMGs Executive Leadership Team.

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


Steve Monteith, USPS manager of Transactions and Correspondence, will host an information session this **Friday, Dec. 17, 1-2 p.m. EST**, on the Reply Rides Free Incentive program. During the presentation, Steve will explain the mechanics of the program and discuss ideas on how you can best take advantage of this opportunity. We have set up 200 lines for this session. To attend the webinar and join with audio: 1. Go to: <http://meetingplace4.usps.gov/join.asp?2754280>. 2. When the MeetingPlace window opens, click the Phone icon (under the Participant List or in the upper right-hand corner). 3. Click Connect Me, then type, validate or update your phone number and click Connect Me again. 4. When the system calls you, press 1 to join. **To attend by audio only, call 866-966-6305. The meeting ID is 2754280.**


🇺🇸 The [Electronic Frontier Foundation](#) has reported that "In a landmark decision issued today in the criminal appeal of U.S. v. Warshak, the Sixth Circuit Court of Appeals has ruled that the government must have a search warrant before it can secretly seize and search emails stored by email service providers. Closely tracking arguments made by EFF in its amicus brief, the court found that **email users have the same reasonable expectation of privacy in their stored email as they do in their phone calls and postal mail.**"




### ***At the Postal Regulatory Commission:***


- CP2011-39 Notice of the United States Postal Service of Filing a Signed Global Plus 1B Negotiated Service Agreement  
Link: <http://www.prc.gov/docs/71/71210/MC2011-7%20CP2011-39%20Agreement.pdf>
- CP2011-41 Notice of the United States Postal Service of Filing a Signed Global Plus 2B Negotiated Service Agreement  
Link: <http://www.prc.gov/docs/71/71211/MC2011-8,%20CP2011-41%20Agreement.pdf>
- MC2011-7 Notice of the United States Postal Service of Filing a Signed Global Plus 1B Negotiated Service Agreement  
Link: <http://www.prc.gov/docs/71/71210/MC2011-7%20CP2011-39%20Agreement.pdf>
- MC2011-8 Notice of the United States Postal Service of Filing a Signed Global Plus 2B Negotiated Service Agreement  
Link: <http://www.prc.gov/docs/71/71211/MC2011-8, CP2011-41 Agreement.pdf>


 [Logistics Manager](#) has reported that "Deutsche Post DHL has renewed its partnership with The United Nations Office for the Coordination of Humanitarian Affairs for a further three teams. The partnership began in 2005, and sees Deutsche Post DHL assist the authorities of affected countries and the humanitarian relief community in the handling and storing of relief cargo at airports in disaster regions. Deutsche Post DHLs three Disaster Response Teams are assigned to a specific geographic regions covering Asia Pacific, Latin America/the Caribbean and the Middle East/Africa. Each team consists of a pool of about 80 specially trained DHL employees, who have volunteered to take part in the pro-bono humanitarian efforts."


 [Wales Online](#) has reported that "Politicians, trade union and business leaders will join hundreds of postal workers at a national rally on Wednesday to protest against the Government's controversial plans to privatise Royal Mail. The Communication Workers Union (CWU) said the event was aimed at giving MPs a "clear message of dissatisfaction" with the Postal Service Bill which paves the way for the privatisation. The Bill is currently in committee stage and the union said it believed it contained "huge loopholes" which put at risk the universal service of nationwide deliveries at the same price, and the post office network."


 According to [Investor Place](#), "Record number of deliveries and a strong technical trend bode well for UPS.:


 [Post & Parcel](#) has reported that "Australia Post has purchased payment gateway company, SecurePay as part of its strategy to expand its online services. SecurePay offers commercial organisations, utilities, local government and e-merchants secure B2B and B2C payment services via the Internet, phone, or custom software applications."


 [DutchNews](#) has reported that "With postal delivery workers poised to start another 24-hour strike from 23.00 hours on Tuesday, the chance is growing of a four-day strike next week, according to news agency reports. Tonights strike will be the seventh by unions protesting at TNT's plans to sack 2,800 delivery workers."


 According to [MyFoxTwinCities](#), "A male postal worker in Wisconsin was arrested after making a delivery completely naked, community newspaper WhitefishBayNow reported Tuesday. According to police reports, the nude worker walked into an office in the Milwaukee suburb of Whitefish Bay earlier this month to make a delivery. He was arrested five days later, on Dec. 9, for lewd and lascivious behavior."



 According to [Retail Week](#), "Much of the e-commerce process has been smoothed out and made incredibly easy for consumers, but delivery still poses a problem."

 [Advertising Age](#) has published an interview with "Time Inc. CEO Jack Griffin and new chief digital officer Randall Rothenberg, formerly CEO of the Interactive Advertising Bureau, who talked to Advertising Age about the company's digital direction, from paywalls and apps to Angry Birds."

 [Press Release](#): "ALG Worldwide Logistics has outlined a fundamental realignment of the company designed to meet the changing industry requirements well into the next decade. This realignment includes hiring new personnel with years of industry experience in key leadership positions. Ownership and executive staff have outlined changes to organizational structure and processes that will more effectively align business operations to the core customer needs."

 From [PR-Inside](#): "The Royal Mail Holdings plc - SWOT Analysis company profile is the essential source for top-level company data and information. Royal Mail Holdings plc - SWOT Analysis examines the company's key business structure and operations, history and products, and provides summary analysis of its key revenue lines and strategy."

 [AsiaOne News](#) has reported that "Singapore Post is beefing up resources and stepping up quality checks at its mail processing centre and various delivery bases to improve its service. This move is in response to the recent spate of complaints, reported in the local media, by customers who were angry over the delayed delivery of their letters and parcels."

  [The Courier](#) has reported that "With Christmas fast approaching and the forecast for more wintry weather this week, the company said it had invested 20 million in ensuring cards and gifts arrived in time. The news came on the day it emerged that supermarkets have had to stop taking some home delivery orders from customers in Scotland because of the cold snap."





Postal news from [Postal Technology International](#):


- [DHL initiates its own climate protection project](#)


- [NetPosti received more than 500,000 messages in November](#)
- [Finland the first country in the world to adopt carbon neutral mail deliver](#)


**FedEx** The [Chicago Sun Times](#) has reported that "Monday was expected to be the busiest day in FedEx history, with nearly 16 million packages moving on its conveyor belts, trucks and planes. That's up 13 percent from 14.2 million on the busiest day last year, and double what the company handles on a normal day. Mondays jump in shipments bodes well for the nation's retailers, online stores and larger rival UPS, which expects its single busiest day will be Dec. 22, when it will move about 24 million packages. FedEx's busiest day is the high-water mark of a holiday season in which it expects to move 223.3 million shipments worldwide. **About half of the increase is from the company's SmartPost partnership with the U.S. Postal Service.** SmartPost moves lighter, cheaper packages through FedEx that are then delivered by a postal worker. A growing number of online and catalog purchases is driving growth in that unit and across the company."


 The letters to the editor of the [Washington Post](#) from Sen. Thomas Carper and NAPUS President Robert Rapoza have been published.


 [Hellmail](#) has reported that:

 [Pitney Bowes](#) has launched a new Invoice Process Automation service designed to help businesses and public sector organisations cut costs, improve supplier relationships and streamline the heart of the finance function.

 [Romanian Post SA](#) yesterday offered some 230 disadvantaged children a special day ahead of Christmas, with gifts, sweets, drinks, school supplies and toys and a special visit from Santa Claus.


 [Severe weather conditions](#) continue to place heavy demands on many European postal operators with just over a week to go before Christmas.

 [Russian Post](#) announced this week it would delay price increases for domestic postal items until January next year. The operator could have increased prices last week but decided to delay the new pricing structure rather than potentially disrupt services in the festive period.

 The [Communication Workers Union](#) is calling on thousands of Royal Mail workers to join in a national protest on Saturday over the privatisation of the state-owned operator.

*December 13, 2010*

***Just how do you calculate the rate of inflation that will apply to the next postal rate increase? Wanna know? [Check this out.](#)***

 According to one writer for [Forbes](#), "As troubled government bureaucracies go, the United States Postal Service has long resided at or near the top of the list. In some ways, it's an unfair criticism. Many of the structural problems with the USPS can be blamed on another bureaucracy, the U.S. Congress. Obviously the USPS has many challenges. But taking simple steps like--listening to the voice of the customer--will help the bottom line before larger problems can be addressed by Congress. Donahoe has some big challenges ahead of him. His first should be putting in place the practices and processes that lead to happy customers."



*The U.S. Postal Service Office of Inspector General invites you to comment on this week's [Pushing the Envelope](#) blog topic:*

- **Revenue Protection.** Individuals and online vendors use PC Postage and Click-N-Ship postage with free carrier pick-up, eliminating the hassle of taking their goods to the Post Office to be weighed and shipped.

Unfortunately, some of these mailings are sent out under the wrong, and cheaper, mailing class for which the goods do not apply, such as mailing a set of skis as media mail. [LINK](#) here to tell us the best ways to protect Postal Service revenue in these types of instances.

**New Audit Projects:** [LINK](#) here to visit our audit project pages. This week we opened the following new project(s): (Please share any information you may have that would help with this audit currently in progress by clicking on the link below):

- [U.S. Postal Service Expedited Packaging Supplies Program - 11BG010FF000](#). The Postal Service provides packaging supplies for Express Mail and Priority Mail at no additional cost to customers. The packaging is the property of the U.S. Postal Service and must be used only for Express Mail and Priority Mail. However, many customers use the boxes and envelopes for something other than shipping (personal use) at significant cost to the Postal Service. Our objective is to determine whether or not the Postal Service has policies and procedures to monitor expedited packaging supplies, verify if supplies are used for their intended purposes, and identify and reduce waste associated with expedited packaging supplies.

[Hellmail](#) has reported that "The Communication Workers Union is calling on thousands of Royal Mail workers to join in a national protest on Saturday over the privatisation of the state-owned operator."

[Citywire](#) has noted that "Why all the fuss about the possibility of Royal Mail abandoning six-days-a-week delivery as part of the plan to privatise the company? The Postal Service Bill, currently going through the committee stage in the Commons before a final vote by all MPs, contains a clause which says that the delivery guarantee should be financially sustainable. This leaves the door open for abandoning the guarantee if the company fails to make a profit. But does it matter?"

[CNN](#) is running an online series called "The internet and the 'end of privacy'."

[Economists](#) have grown more optimistic about the outlook for U.S. growth next year, predicting the expansion will accelerate as 2011 progresses, according to the latest [Wall Street Journal](#) forecasting survey.

[The Detroit Free Press](#) has reported that "All of the year-end fund-raising mailings of the South Oakland Shelter have gone missing since being dropped off at the postal center in Pontiac, which has shelter officials worried about their ability to provide services during one of their busiest times of the year. Business manager Meghan Kindsvater said she took three trays with about 1,400 envelopes to the U.S. Postal Service's Metroplex in Pontiac, then watched an employee walk off with them Nov. 22. But no one has received the mailings, said Ryan Hertz, the shelter's executive director."


[The BBC](#) has reported that "Royal Mail has said it is committing an extra 20m to cope with deliveries during the severe weather, including recruiting 3,000 temporary staff. Royal Mail has already taken on 20,000 temporary staff to handle the increased workload at this time of year."

[According to CNN](#), "Christmas is 12 days away, but already drivers are dashing through the snow to deliver holiday gifts. The U.S. Postal Service, UPS and FedEx are all gearing up for a spike in shipments."

[The Irish Times](#) has reported that "An Post has admitted that it illegally ended the practice of allowing customers to forward misdirected letters to their intended recipients by crossing off the printed address and writing in the correct one before posting."

[According to the Dewsbury Reporter](#), "Bad weather and extra Christmas volume are making matters worse, with some people not receiving deliveries for up to a week. The postal workers union is pleading with customers to make allowances. And Royal Mail says the new procedures need time to bed in."




 The [Financial Times](#) has reported that "The severe weather has left many small online businesses battling to meet the pre-Christmas demand. Several website owners have refused to take new orders as the main postal and courier services have been unable to get items out of depots in the worst hit parts of the country."


 Two new postal studies by the [European Commission](#):


- [Main developments in the postal sector \(2008-2010\)](#) (Copenhagen Economics - November 2010)
- [Final Report Country Fiches Study on the external dimension of the EU postal acquis](#) (WIK-Consult/ Jim Campbell)

 [Hellmail](#) has reported that "Russian Post has been commended by the Russian publishing group, "Arguments and Facts", for its efforts to assist people whose homes were damaged by wildfires in July this year."


 [Politicalnews.me](#) has reported that "Washington - U.S. Senators Blanche Lincoln and Mark Pryor and U.S. Congressman Mike Ross (AR-04) urged the United States Postal Service (USPS) to keep its Texarkana Processing and Distribution Facility open. The USPS is considering closing the facility and sending mail from Texarkana to Shreveport for processing. The USPS has completed its Area Mail Processing (AMP) feasibility study for the Texarkana facility and will now consider input from the public."


*December 12, 2010*

 Robert Rapoza, President of the National Association of Postmasters of the U.S., told the Washington Post that "The "Failure to deliver" editorial misdiagnosed the cause of the Postal Service's challenges and suggested treatment that makes matters worse. The \$8.5 billion Postal Service loss that the editorial mentioned stems primarily from a law that foists a \$5.6 billion annual payment on the USPS to prefund retiree health costs. Also, the government raised the Postal Service's payment to the workers compensation fund by \$2.5 billion. Ironically, two nationally recognized actuarial firms determined that the USPS had been required to overfund its pensions by \$50 billion to \$75 billion. The Post, however, recommended that Congress extort the USPS to secure its surplus pension contributions. In part, The Post recommended weakening a statute, enabling the USPS to close "unprofitable" post offices. This recommendation is problematic. First, post office profitability is meaningless, because offices deliver and distribute mail - inherently "unprofitable" services. Second, many "unprofitable" offices serve rural communities and are the communities' sole commercial and communications access points. Third, closing all small post offices would save only 0.7 percent of the USPS's budget. Before cutting services, Congress should treat the "most trusted agency" fairly, and the Postal Service must trim its administrative overhead."


 [Dead Tree Edition](#) has told its readers that "Postal rates for the majority of mail are likely to rise about 1.8% early next year because the Postal Regulatory Commission has sided mostly with the U.S. Postal Service in a dispute over price caps."

 [The Scotsman](#) has reported that "the coalition government's plans to privatise Royal Mail have left a loophole under which the universal service guarantee of six-days-a-week deliveries could be downgraded or scrapped, it has been revealed."

 According to [KSPR](#), "Civic leaders have begun a campaign they hope will keep the U.S. Postal Service from closing a mail-processing center in Texarkana and merging its operations with one in Shreveport, La."

 The [PostalNews blog](#) has reported that Senator Carper has sent a letter to the editor of the Washington Post in which he noted that: "I was disappointed that the Dec. 7 editorial Failure to deliver did not mention the numerous hearings I've held on this issue as well as the comprehensive legislation to address this crisis that I introduced this fall. My bill, the Postal Operations Sustainment and Transformation Act, would fix the Postal Services broken retiree benefits system, streamline operations and allow the Postal Service to offer additional products and services that can make money. It would require all parties postal management, employees and customers to make sacrifices. It also would get Congress out of the way by providing the flexibility and tools necessary to address the problems plaguing the Postal Service in an effective way. I agree with the editorial that leadership and shared sacrifice are


needed to fix the Postal Services financial problems. But to say there's been no congressional leadership on this issue is flat-out wrong."


 [The Northwestern](#) has told its readers that "United States Postal Service is facing an acute financial crisis. With the economic downturn and increased diversion to the Internet, mail volumes have dropped precipitously more than 32 billion pieces the past two years alone. This decline has left the postal service with a mail processing network that is too large for the amount of mail it now processes. At the same time, the Postal Service has added new generations of automated equipment that has dramatically improved how mail is sorted and prepared for delivery. We can collect, process and distribute more mail, and more efficiently, than ever before. This is why the Postal Service's Lakeland District is proposing consolidating operations from the Oshkosh plant with the Green Bay plant. With the drastic decline in mail volume, it is vital that we make these operational changes and consolidate excess operations and facilities. The proposal was driven by two factors: its location and impact on the business mailing."


*December 11, 2010*





A copy of the [new Postal Service headquarters organizational](#) chart has been posted on this site.

 [BruDirect](#) has reported that "The Postal Service Department- said since the eruption of Mount Merapi in Java, Indonesia recently, delivery of airmails, such as letters, parcels including EMS Speed post, has been badly affected. On the other hand, the Indonesian Post has taken measures to ease the public. Local and international mails from or to Yogyakarta, Solo and Magelang are on halt due to the inability to conduct handling delivery. Any local remittance to the affected areas will be delayed."

 [Nextgov](#) has reported that "The new postmaster general has replaced the agency's chief information officer, Ross Philo, with Ellis Burgoyne, a former mail delivery manager, as part of an effort to boost profits and expedite shipments. Questions have been raised about Burgoyne's ability to operate one of the largest technology networks worldwide, given his lack of IT experience. In addition to the mammoth intranet, the agency's IT assets include applications that control payroll for one of the nation's largest workforces and millions of payments to suppliers."

 [KCAU](#) has reported that "The Postal Service said it expects to decide by the end of the year whether it will close the post office in downtown Yankton and consolidate operations at its Fox Run Carrier Annex. Spokesman Peter Nowacki said the Postal Service is examining its operations nationwide because revenue is down on lighter mail volume. Nowacki said closing the downtown post office would save just over \$1 million over a 10-year period."

 The [Boston Globe](#) has reported that "For 113 years, the Post Office in Windsor brought people together in the small town in the Berkshires, providing a place to chitchat, do business, and send their precious parcels where they needed to go. But this fall, to the dismay of many of the town's 900 residents, the US Postal Service closed its local branch, located most recently inside a general store. It's a subject that's really upsetting to a lot of people, said Rebecca Herzog, who serves as the town's treasurer and tax collector. It's extremely inconvenient to have to go to the next town, especially with winter coming."

 [NewsNetFive](#) has reported that "Overly thin envelopes continue to cause a large number of damaged Christmas cards. "Two-hundred Christmas cards are damaged at the Akron main post office daily," said Regional U.S. Postal Service spokesperson Victor Dubina. "Most of the cards are damaged so badly we can't put them back together and send them on to their destinations, we're doing all we can." Dubina told NewsChannel5 the U.S. Postal Service is reaching out to Paper Magic Group to see what can be done about the thin Christmas card envelopes."




### ***At the Postal Regulatory Commission:***

- **Docket No. R2011-1 "Order Approving Market Dominant Classification And Price Changes, And Applying Price Cap Rules"**

On November 2, 2010, the Postal Service filed notice of three price adjustments and related classification changes for First-Class Mail and Standard Mail products.1 The **changes, scheduled to become effective**

**January 2, 2011**, provide pricing incentives for First-Class Mail Automation Letters (Reply Rides Free) and Saturation and High Density Standard Mail. In addition, the **Move Update Assessment Charge threshold increases to 75 percent for presorted First-Class Mail and all Standard Mail**. Reply Rides Free and Saturation and High Density incentives generate rate reductions, while the Move Update Assessment Charge alteration yields a rate increase. **Each of these proposals is approved.**


- **Docket No. R2011-1** "Calculation of Percentage Change in Rates"  
<http://www.prc.gov/docs/71/71183/Standard%20Mail.xlsx>  
[http://www.prc.gov/docs/71/71183/First-Class\\_Mail.xlsx](http://www.prc.gov/docs/71/71183/First-Class_Mail.xlsx)

 **DMM Advisory: IMb Services Update. eDoc Submission for the January 2, 2011 PostalOne!**


**Release 26:** In this release, the *PostalOne!* system will support the new Mail.dat version 11-1 and Mail.XML version 9.0B for electronic documentation. *PostalOne!* will retire support of Mail.dat version 08-2 but will continue to support Mail.dat 09-1 and Mail.XML versions 7.0C and 8.0B in this release. Mailers will not be able to submit the new file versions (Mail.dat 11-1 and Mail.XML 9.0B) prior to the January 2, 2011, Shipping Services price change. Customers who wish to submit Mail.dat and Mail.XML files before January 2 for mailings scheduled to occur after the price change have the following options:


- Prior to January 2, submit hardcopy postage statements (or daily log of mailings) and supporting documentation (hardcopy or an electronic format accessible to USPS employees). BMEU/DMU will keep a Records of Mailing log for these mailings.
- Submit the correct eDoc (Mail.dat or Mail.XML) on or immediately after January 2, 2011. **OR**
- Submit eDoc in existing file formats (Mail.XML 8.0B and Mail.dat 9-1) for existing products/services. The *PostalOne!* system will calculate initial postage based upon current prices.
- After the January 2 release, the BMEU/DMU will finalize the postage statement and *PostalOne!* will recalculate the correct postage.

Mailers should advise their BMEU/DMU of their intent to use either of these options, which will be available from December 19<sup>th</sup> to January 1<sup>st</sup>. Details are on the **RIBBS** website in *PostalOne!* [Release Notes 26.0.0 Implementation 01-02-2011 Section 1.2.2.](#)


 The [Sacramento Bee](#) has reported that "FedEx National LTL, the freight trucking division of FedEx Corp., plans to close its facility in Elk Grove on Jan. 29, with a loss of 85 jobs."


*December 10, 2010*


 [Hellmail](#) has reported that "Magyar Posta (Hungarian Post Office Limited) is bucking the trend by actually reopening some smaller post offices that were closed in 2003-2004."


 The [Daily Mail](#) has reported that "The Royal Mail is facing a massive battle to deliver Christmas cards and presents on time because of chaos caused by the bad weather."





[Phillip Herr](#) of the Government Accountability Office was [interviewed by Federal News Radio](#) on how to right-size the Postal Service. 


 [PostalEmployeeNetwork](#) has reported that "The NALC recently responded to a U.S. Postal Service press release regarding its contract negotiations with the American Postal Workers Union and the National Rural Letter Carriers Association, a statement NALC President Fredric V. Rolando said was full of spin and distortions aimed at influencing public opinion. We recognize that the USPS faces major challenges that need to be addressed to secure its future, Rolando said, but this cannot be done responsibly if one party engages in blatant and self-serving attempts to mislead people."


 The [Wall Street Journal](#) has reported that "Republican Sen. Tom Coburn, the Oklahoma conservative known for his ability to unilaterally gum up legislation on Capitol Hill, is shedding his contrarian image to emerge as a central figure in Washington's newfound desire to trim the nation's ballooning debt."

 [Reuters](#) has reported that "United Parcel Service plans to woo shareholders with a higher dividend and more share buybacks rather than use strong cashflow for large acquisitions."


 From [Dead Tree Edition](#): "Here's How the Postal Service Can Get Back Its Pension and Benefits Overpayments."


 According to [Transport Intelligence](#), "UPS appears to be ruling out purchasing its rival TNT, preferring to concentrate on smaller acquisitions which will be easier to absorb. Kurt Kuehn, UPS Chief Financial Officer, speaking to a German Financial Newspaper, the Boersen-Zeitung, is reported as saying that UPS wants to concentrate in Europe on small and medium sized acquisitions rather than buying TNT. The reasoning behind this is, according to Mr Kuehn, that too fast an expansion can be dangerous. Citing its rival DHL Express as an example, he said that, "There are two strategies to climb the mountain: DHL selected the fast way, but when it reached the summit it was exhausted and vulnerable."

 [Hellmail](#) has reported that "The National Council for Voluntary Organisations (NCVO) has forged a new partnership with UK Mail. The partnership, which will allow both members and other voluntary organisations to access UK Mails hybrid service, imail, will also help voluntary organisations with fundraising and marketing campaigns in a cost effective and environmentally friendly way."

 According to [Business Week](#), "other countries' postal systems are in better financial shape than the U.S. Postal Service because they can offer services beyond mail and package delivery, and their governments cover some employee health-care costs and most retiree costs. In the U.S., the Postal Service is expected to be self-sufficient, yet its ability to run itself like a business is restricted."

*December 9, 2010*

 [Business Week](#) would like you to "Imagine a company that reported losses in 14 of the past 16 quarters, has too many retail outlets by its own admission, and relies heavily on work done for its two biggest competitors for revenue. Any management consultant would recommend the obvious: Close unnecessary offices, lay off workers, expand into new lines of business, and raise prices. But this is the U.S. Postal Service. It's expected to show a profit without a government subsidy, yet Congress, powerful labor unions, and even its own regulators are preventing it from making hard-nosed business decisions. The result could be a painful restructuring or a government bailout before the fiscal year ends next Sept. 30."

 According to long-time student of things postal [Murray Comarow](#), "The Washington Posts December 7, 2010 editorial, "Failure to Deliver", makes some good points about the Postal Services plight. Unfortunately, it also expresses some views which are dubious or just wrong."



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

- In an open letter to all USPS employees, Pat Donahoe said, it is no secret that digital means of communicating are eroding use of First-Class Mail, and that the growth we have recently experienced in Standard Mail cannot fully offset this erosion. While we wish these trends to be otherwise, we can nevertheless be very successful as an organization by adapting to the reality of a smaller marketplace.
- Postmaster General Patrick R. Donahoe today announced the top executives who will work directly with him in creating a more profitable, nimble U.S. Postal Service, able to compete aggressively in the marketplace and provide exemplary customer service.
- In addition to comments submitted by PostCom and the DMA [see PostCom Bulletin 50-10], others weighed in on the USPS request for temporary waivers to periodic reporting of service performance of First


Class Mail Flats at the District level; non-retail First Class Mail Parcels; all categories of Standard Mail; Outside County Periodicals; non-retail Media Mail, Library Mail, and Bound Printed Matter Parcels; and Stamp Fulfillment Services. In addition to PostCom/DMA, comments were submitted by the Public Representative of the Postal Regulatory Commission (PRC), Valpak, and the Parcel Shippers Association (PSA). The full comments are posted on the PRCs web site (<http://www.prc.gov>, click on RM2011-1" link from the home page), and highlights are provided below.


- The U. S. Postal Service (USPS) over the last week has filed at the PRC additional documents concerning its request for temporary waivers to period reporting of service measurement. The USPS submitted a timeline of milestones necessary to enable Standard Mail product-level reporting, as well as reply comments addressing some issues raised by PostCom/DMA and others in their comments to the USPS waiver requests.
- The U.S. Postal Service Office of Inspector General (OIG) released its Semiannual Report to Congress this week. The report covers the OIG work and activities for April 1 - September 30 of FY2010.
- The USPS Office of Inspector General (OIG), this week, released its audit report - Periodicals Mail Costs. According to the OIG, even though Periodicals volume has decreased and automation and mailer preparation efforts have increased, manual costs attributed to Periodicals continue to rise.
- The U.S. Postal Service Office of Inspector General (OIG) on December 6, 2010, released the results of its self-initiated review of surface mail classes on USPS air transportation networks. The OIGs review concluded that the USPS used several air transportation networks instead of cheaper, space available ground transportation to move Standard Mail, Periodicals and Package Services, which resulted in unnecessary spending of about \$22.7 million over two years, or about \$12.1 million in FY 2008 and \$10.6 million in FY 2009.
- According to Window Book, Inc. it seems like no matter how much information is communicated regarding Intelligent Mail (IM), there are always some misconceptions that persist. The article separates fact from fiction.
- USPS job cuts barely dent \$49B payroll. Editorial: Petris call for postal audit appropriate. Congress approves act to limit volume in commercials. IMAG elects new leadership. Washington Post Editorial: Failure to deliver. PostCom President Del Polito responds to Washington Post editorial. APWU - Washington Post: wrong again. NALC - Washington Post get the postal crisis wrong again. NAPS responds to Washington Post editorial. Counterfeit stamps giving USPS a lickin. Redeemed: Newspaper coupons still effective.
- An update on DMM Advisories issued by the U.S. Postal Service.
- An update on postal rules and notices published in the Federal Register.
- An update from the USPS Office of Inspector General.
- A review of postal news from around the world.
- Postal previews

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 [The Guardian](#) said that it believed that "The postal services bill is bad for postal services and bad for us. The bill is looking more and more like a done deal, but much of what it puts forward should concern consumers."


 According to the [Courier, Express, and Postal Observer](#), "The Postal Service is in the midst of deploying its automated FSS machines in a limited number of sites. There has been significant criticism of the program given the significant decline in the volume of flat mail. However, a map contained in a recent presentation by Quad Graphics suggests that the Postal Service's placement of FSS machines makes some sense if the goal is to create a network that is designed to optimize the transportation and handling costs without building a new flats distribution network from production location to delivery location."


 From [International Freighting Weekly](#): "Our Story: FedEx."


 [Hellmail](#) has reported that "After 20 years of discussions and finally the adoption of the Third Postal Directive, which foresees the full opening of the postal market, it is regretful to note that the development of competition in the postal market remains very slow." - the opening paragraph of a 'white paper' by the FFPI (Free Fair Post Initiative), underlining growing concerns about the path for EU postal liberalisation."


 The Postal Service has paid about \$592-million for 654 IT retail and hardware contracts. Part of the challenge is making sure that oversight is worth it. The Postal Service Inspector General's office just completed an audit of IT contract oversight, specifically addressing operational risk. Judy Leonhardt, Director of Supply Management at the Office of Audit for the USPS OIG, brings us up to speed on this latest audit. [Listen to the audio.](#) 

 [DHL Express](#) has praised its staff for working beyond the call of duty to try and minimise delivery disruption caused by the adverse weather.


 An official with CVS Caremark has written in the [Chicago Tribune](#): "Headlines across the country have been declaring the U.S. Postal Service in dire need of drastic reform to ensure its viability. But the most talked-about proposal eliminating Saturday mail delivery has the potential to harm millions of Americans who depend on delivery of needed medicines without actually addressing the root cause of the agency's financial troubles. CVS Caremark, like many businesses, depends on Saturday mail delivery to provide a vital service in a timely manner to our customers. In our case, to deliver prescription medications."

 The [Nottingham Post](#) has reported that "postal staff are aiming to catch up with deliveries after freezing weather disrupted rounds across Notts. The Royal Mail says staff are making as many deliveries as possible in the icy conditions, following criticism some residents have not been receiving post."

 [YourCanterbury](#) has reported that "More than 130 postal workers in the district will lose their jobs thanks to Royal Mail restructuring plans confirmed this week."

 [Hellmail](#) has reported that "The Finnish postal service has reported that 500,000 messages were received last month via its hybrid mail service - NetPosti. The number of e-letters and e-invoices sent to NetPosti increased rapidly in 2010 with the number of letters sent increasing each month and culminating in 500,000 e-letters and e-invoices sent in November alone. Posti, part of the Iella Group, said that NetPosti had become the most versatile and comprehensive of the electronic services with users keen to use the hybrid mail service more."


*December 8, 2010*

 Postmaster General Patrick R. Donahoe today announced the top executives who will work directly with him in creating a more profitable, nimble U.S. Postal Service, able to compete aggressively in the marketplace and provide exemplary customer service:

- Paul Vogel, President and Chief Marketing/Sales Officer
- Megan Brennan, Chief Operating Officer
- Joseph R. Corbett, Chief Financial Officer
- Tony Vegliante, Chief Human Resources Officer
- Ellis Burgoyne, Chief Information Officer
- Mary Anne Gibbons, General Counsel

The position of Deputy Postmaster General remains vacant at this time. Megan and Ellis bring a wealth of experience from their previous positions as Area Vice Presidents for the Eastern Area and Southwest Area, respectively. One of the tasks the Executive Leadership Team will tackle is breaking down structural challenges to change and empowering executives, managers and employees to achieve at a higher level and improve the Postal

Service competitive posture. Earlier this week, in a message to all employees, the PMG identified four core business strategies: strengthening the business to customer channel; improving the customer experience; growing the package business; and becoming a leaner, faster, smarter organization.

 **DMM Advisory: December DMM Update.** Postal Explorer ([pe.usps.com](http://pe.usps.com)) is your source for up-to-date mailing standards. The *Domestic Mail Manual* 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 capture the following changes:

- **New Shipper Paid Forwarding Ancillary Service Endorsement Option.** We revised [507.1.5](#), [507.2.3.5](#), [507.2.3.6](#) and [507.4.2.9](#) to provide a new endorsement option "Change Service Requested" for mailers using Shipper Paid Forwarding (SPF) for Standard Mail, Package Services, or Parcel Select parcels.
- **Clarification of the Reduced Overflow Option for Automation Letters.** We revised [235.3.3](#), [235.6.6](#), [245.3.3](#), and [245.7.5](#) to clarify standards that apply to mail preparation for First-Class Mail and Standard Mail automation letters in trays.
- **Change in ZIP Code for Washington DC Network Distribution Center: Revision to Destination Entry Exhibits.** We revised exhibits [246.3.1](#), [346.3.1](#), [366.4.1](#), [446.3.1](#), [453.3.1.3](#), [466.4.4](#), to reflect the changing of the Washington DC Network Distribution Center (NDC) ZIP Code from 20499 to 20799.
- **Automation Letters Perforated Pocket Attachments** We revised [201.3.13](#) to authorize the use of perforated pocket(s) as attachments on letter-size mail when postage is paid at automation letter prices.
- **Click-N-Ship Insurance Indemnity Coverage Increase** We revised [503.1.1.6](#), [503.4.2.1](#) and [609.4.2](#) to permanently increase the purchase limit for domestic Click-N-Ship online insurance coverage up to \$5,000.
- **Packaging Standards for Mail Processed at Network Distribution Centers.** We revised [601.7.2](#) that applies to packaging books and printed matter for mail processed at Network Distribution Centers. We published this revision in the December 2, 2010, Postal Bulletin.
- **Labeling Lists.** We revised labeling lists [L001](#), [L004](#), [L007](#), [L011](#), [L201](#), [L601](#), [L605](#), [L606](#), and [L801](#) to reflect changes in mail processing operations.
  - Our next scheduled DMM update is January 2.



**REGISTER NOW**


**Mail Compared to: Join us for a Webinar on January 18**

Space is limited. Reserve your Webinar seat now at: <https://www1.gotomeeting.com/register/528964968>. Please join the Association for Postal Commerce for the **Mail Compared to "e" - What do The Numbers Reveal** webinar on Tuesday, January 18th at 1 PM ET. We will evaluate mail and its place in today's array of communication medium options. With so many different options to communicate, see how Mail ranks based on the Direct Marketing Association's Fact Book for 2010. Review several different mediums for customer / prospect communications. How viable is the mail compared to more current digital options, email or mobile messaging? We'll also look at what makes mail part of a multi-channel strategy and ways to get more value out of the Mail. **This web event will be presented by PostCom Board Directors Kathleen Baker, Sprint and David Robinson, Pitney Bowes. Linda Woolley, The Direct Marketing Association. Date:** Tuesday, January 18, 2011; **Time:** 1:00 PM - 2:00 PM EST After registering you will receive a confirmation email containing information about joining the Webinar.




These reports have been posted today on the U.S. Postal Service Office of Inspector General website (<http://www.uspsoig.gov/>). If you have additional questions concerning this report, contact Agapi Doulaveris at 703.248.2286.


- [Fiscal Year 2010 Postal Service Financial Statements Audit Washington, D.C. Headquarters \(Report Number FT-AR-11-002\)](#). During our audit at the Washington, D.C. Headquarters, we noted that financial accounting policies and procedures provide for an adequate internal control structure and comply with accounting principles generally accepted in the U.S. Accounting transactions at headquarters impacting the general ledger account balances are stated in accordance with accounting principles generally accepted in the U.S. We did not propose any adjustments; however, we identified a control deficiency regarding manual journal voucher processing. This item was not material to the financial statements and did not affect the overall adequacy of internal controls.
- [Periodicals Mail Costs \(Report Number CRR-AR-11-001\)](#). While Periodicals volume decreased and automation and mailer preparation efforts increased, Periodicals manual costs continue to rise. We identified several reasons for these manual processing increases and found Processing and Distribution Center personnel do not consistently report issues in the Electronic Mail Improvement Reporting system. In addition, the audit found Postal Service data collection systems and procedures accurately attribute costs to Periodicals based on the existing cost attribution models.
- [Postal Service Board of Governors Travel and Miscellaneous Expenses for Fiscal Year 2010 \(Report Number FT-AR-11-004\)](#). Travel and miscellaneous expenses totaling \$136,353 and external professional fees totaling \$8,226 were properly supported, reasonable, and in compliance with Postal Service and Board policies. Accordingly, we are not making any recommendations.
- [Postal Service Officers Travel and Representation Expenses for Fiscal Year 2010 \(Report Number FT-AR-11-003\)](#). Based on the judgmental sample results, officers travel and representation expenses totaling approximately \$628,000 were properly supported and complied with Postal Service policies and procedures. Accordingly, we are not making any recommendations.
- [Surface Mail Classes on Air Transportation Networks \(Report Number NL-MA-11-001\)](#). The Postal Service used several air transportation networks instead of cheaper, space available ground transportation to move Standard, Periodical, and Package Services mail classes. This resulted in unnecessary spending of about \$22.7 million over 2 years, or about \$12.1 million in fiscal year (FY) 2008 and \$10.6 million in FY 2009. By ensuring the use of ground transportation for moving surface mail classes, the Postal Service could save about \$50 million over 10 years.


 According to the [American Postal Workers Union](#), "A recent Washington Post editorial is so riddled with inaccuracies that its hard to know where to begin to refute them. But one thing is clear: The message and the not-so-coincidental timing of its publication is that the anti-union newspaper wants Congress to tilt the scale against workers just as the APWUs contract negotiations reach the final stages. Without the pre-funding costs, which exceed \$5 billion annually for 10 years, the Postal Service would have shown a surplus of more than \$4 billion over the past four Fiscal Years. Despite the severe recession and the increased use of electronic communication, the USPS has otherwise kept its head above water. The Post also advanced the absurd myth, **proffered by the mailing industry** and echoed by anti-labor ideologues, that federal law gives unions the upper hand in contract negotiations by preventing arbitrators from considering the financial condition of the Postal Service when resolving contract disputes." *[EdNote: Instead of fighting with your "customers" . . . you know . . . the people who actually pay your wages and benefits . . . go pick a fight with your real adversaries.]*





 As the [Washington Post](#) has noted, "The new boss at the U.S. Postal Service said his first hellos this week, telling the rank and file he wants to build a more profitable, nimble organization that tries to win more of the competitive package business. In a letter sent to the service's more than 580,000 workers, Postmaster General Patrick R. Donahoe said the digital revolution is eroding the use of first-class mail and that USPS will need to adapt to a "smaller marketplace." "We have to be more than an available, low-cost delivery resource; we have to win customers and find ways of complementing and adding value to the evolving nature of the way people communicate and conduct business," Donahoe wrote."


 The [Winnipeg Free Press](#) has reported that "Canada Post has brought in supervisors and retirees from across the country to deliver holiday mail in Winnipeg."


 [Hull Daily Mail](#) has reported that "Royal Mail confirmed people living in HU, DN and YO postcodes may not be receiving letters or parcels due to the icy conditions. In some areas, mail is reaching sorting depots but postmen have claimed it is too dangerous underfoot for them to complete deliveries. Post offices are being inundated with disgruntled people, with one East Riding branch receiving 300 calls in one day. The situation has left residents and businesses without mail at one of the busiest times of the year for the postal network. The Mail has been told of people desperately waiting for holiday tickets and firms not receiving crucial contracts."


 The [News-Journal](#) has noted that "Palm Coast Postmaster William Spangler has an idea to make it easier on customers and alleviate some of the congestion at the U.S. Postal Service facility on Pine Cone Drive. Rather than waiting for crowds to come to the post office, Spangler is bringing the post office to the crowds. Beginning today through Dec. 18, a mobile post office truck will be out in the community to help residents get their holiday mailing done." [EdNote: Nice touch!]


 [Logistics Manager](#) has reported that "Swiss Post International UK has entered a partnership with international postal services company, Arctic Media."


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


 It seems like Belgian bpost will be allowed to keep subsidies of around 300m euros. Last week the Advocate-General of the European Court of Justice recommended to approve the subsidies.


 First the reorganisation of Japan Post was postponed until 2012 (CEP-News 41/10), now the whole postal reform bill is on hold.


 An approach by senator Susan Collins could lead to urgently needed financial relief for the U.S. Postal Service.


 In 2005 the Saudi Postal Corporation (SPC) had announced its largest project yet. The project Wasel (Arabic word for reachable) was launched with an investment volume of more than 216m euros. The project included plans to install house numbers and letter boxes, equipped with RFID tags, at every house (CEP-News 36/05). By now more than 10 million letter boxes with Gen 2 RFID tags were installed and are frequently used. The deliverers are equipped with Intermec mobile devices which send the delivery data to SPCs central office via GSM.


 The European Regulators Group for Postal Services (ERGP) held its constituent meeting last Wednesday (CEP-News 33/10). Jolle Toledano, chairwoman of French regulator Arcep, was elected as head of the new group which was established by the European Commission. Tim Brown, chief executive of British Postcomm, and Gran Marby, general director of the Swedish regulatory authority PTS, were appointed to vice presidents of the new body.


 Union ver.di canceled general negotiations with employers associations of the German courier and postal industry about a minimum wage in the postal sector.

 Austrian Post will sell a lot of its real estate in the next two years.


 Deutsche Post has successfully repelled first hacker attacks against its EPostbrief.


 A token strike at FedEx caused several thousand shipments to remain unsorted at the Frankfurt Airport.


 Austrian Post and Swiss Post can start their direct-marketing joint venture in Germany as planned. [EdNote: See also [Hellmail](#).]

 The Irish Department of Communications dismissed a claim of the union CWU that the

liberalisation of the postal market endangered all 10,000 jobs at An Post as an exaggeration.


 Deutsche Post will deliver less direct mailings on Mondays from January 2011 on. The Bonn based company announced that the majority of these advertising mails will be delivered on the prior Saturday or on Tuesday.

 Three associations of the German courier and postal market agreed to operate a joint representative office in Berlin.

 The EU Commission wants to start a review of the security regulations for postal shipments before the end of this year.




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

 [DutchNews](#) has reported that "TNT postal sorting staff and delivery workers began a three-day strike shortly before midnight on Tuesday." See also [Radio Netherlands](#).





**From the [Federal Register](#): Postal Service RULES Domestic Shipping Services Pricing and Mailing Standards Changes; Correction , 7628276284 [201030668] [\[TEXT\]](#) [\[PDF\]](#)**

 According to [Dead Tree Edition](#), "Though they have struggled to bring decentralized Worldcolor operations into the fold, Quad/Graphics executives told Wall Street analysts today they are off to "a fast start" in integrating the two companies."





[The Prescott Report](#): In This Issue: Best practices on international parcel delivery... New Zealand Post and a regional consumer survey database... New Zealand Post is leading the way in creating a multinational consumer preference survey database for the Asian Pacific. If successful, international marketers could conceivably have access to a huge searchable multinational consumer preference survey database. more... International delivery times for letters and parcels, country by country! How long will it take to get your marketing letters and resulting small parcels to your customers in the Asia-Pacific, or elsewhere? Take a look at the resources we identify on Deutsche Posts website. Why doesn't the UPU disclose the same information? . more... Italian DP Authority Guidelines on monitoring employee internet and email use. Balanced guidance in a delicate legal area...more Online B-to-B lists. How good/consistent are they? A survey. Stevens and Grossman test five online data providers. Very good set of "best practices" that merit your consideration. ....more UK consultancy Snow Valley provides us with the international best practices of parcel delivery. Accurate address capture on order intake is one of those more... Japan Post's strategy builds on the digital. Japan Post has focused on e-commerce as one of the pillars of its very disciplined strategy, and overseas parcel delivery, and the address and Customs, are important considerations ... more... To subscribe, visit [www.PrescottReport.com](http://www.PrescottReport.com)

 From [Media Syndicate](#): "Newgistics initiates standard mail tracking for direct response retailers. Retailers searching for standard mail tracking are choosing Newgistics. The organization is noted for delivering results. Newgistics offers shipping solutions for direct response retailers. Affordable, reliable shipping can make a huge difference to the bottom-line. Newgistics is also known for online merchant shipping solutions For additional information retailers are invited to visit the company web site at <http://www.newgistics.com>."


 [India IT](#) has reported that "The Indian postal services that has been backbone of communication in this huge country is now preparing itself to embrace technology. The department is planning to offer e-stamps and upgrade their IT infrastructure. For the IT infrastructure upgrade, the department has sanctioned around \$223 Million (or

1,000 Crore INR). IT majors Capgemini, Wipro, TCS, Infosys, HCL, IBM and HP are in talks for this project which expected to be a two to three years contract."

 [Punch On The Web](#) has reported that "The Postmaster-General, Nigerian Postal Service, Mallam Mori Baba, on Tuesday, said that, contrary to the view that Information Technology, particularly the Internet and mobile phone services, had threatened postal services in the country, it had rather enhanced service efficiency."


 [Hellmail](#) has reported that "TNT Post today condemned industrial action planned by Dutch postal workers on Thursday, describing the action as 'irresponsible'."


*December 7, 2010*


 [The Telegraph](#) has reported that "The Governments plans to sell off state-owned Royal Mail could create a privatised monopoly and push up the price of stamps, a rival postal company has claimed."


 News on Fedex:


- [Transport Topics](#) has reported that "FedEx Corp. said Tuesday its FedEx Freight Canada unit has improved transit times on hundreds of cross-border routes between the United States and Canada. The specific routes run between Toronto or Montreal and cities throughout the U.S., FedEx said."
- Trading Markets has reported that "FedEx National LTL, a freight trucking division of FedEx Corp., plans to lay off 99 people by the end of January at its East Side facility."


 The [National Association of Letter Carriers](#) has told its readers that "This mornings Washington Post has done it again. For the fourth time this year, they have offered an editorial on the Postal Services financial problems that is remarkable in its ability to get even the most basic facts wrong. We have corrected the editors in published letters and we have met with the editorial writers. Yet the paper refuses to learn and appears to accept postal managements bogus talking points with an utter lack of skepticism. These are fundamental failings for so-called journalists. Understanding the financial crisis facing the Postal Service is not easy. But it is not rocket science. Shame on The Washington Post for misleading its readers."

 [Hellmail](#) has reported that "The Postal Users Group (PUG) and the Free and Fair Post Initiative (FFPI) have been, and continue to be, strong supporters of a fully liberalized market for Postal Services in the European Union but say that users of postal services, as well as postal operators (public and private), are currently left in a difficult position."

 [The Guardian](#) has reported that "TNT Post and other private postal groups could quit Britain if Royal Mail is turned from a "public monopoly into a private monopoly" when it is privatised, regulator Ofcom will be warned this week. Nick Wells, chief executive of TNT Post in the UK, said that the government could "fatten up" Royal Mail by bolstering its market position at the expense of its rivals to get a better sale price. The postal services bill, which is going through Parliament, will see the state-owned postal group sold off and will overhaul the regulatory regime governing competition in the postal market."

 **Press Release:** "Preparations for the 14th annual European Postal Services are well under way. 29th, 30th & 31st March 2011 in London. For further information on all of our events please visit [marketforce.eu.com/calendar](http://marketforce.eu.com/calendar)

 The [National Post](#) has reported that "UPS has announced that it will now require customers shipping packages from retail shipping locations to present a government-issued photo ID before a package can be sent."


 [Media Daily News](#) has reported that "A new study of coupon redemption by MARC Research for the Newspaper National Network shows that coupons that appear within newspapers (run of press) are redeemed more often than freestanding inserts, the tabloid-format circulars that typically appear in weekend editions. They are also more effective at getting consumers to try new products, switch brands, or trade up to a more expensive product."


 The following letter to the editor of the Washington Post was sent today by PostCom President Gene Del Polito:


As an editorial publication, the Washington Post is entitled to an opinion of its own. Regarding your recent editorial on the Postal Service, however, you've flat out gotten it wrong.


Correcting the misallocation and misuse of postal payers' dollars on the funding of the Postal Service's retirement-related obligations would not be a give-away to postal unions. Rather, it would be addressing properly an injustice that is bleeding money needed to reinvigorate the nation's postal system, and appropriately reflect the enormous contributions already made by all who pay postage to ensure the nation's postal system remains whole.


Next time, please learn a bit more on what you are about to write before you write it. Using a bit more journalistic shoe leather to do correct and complete research will get you much farther than just accepting whole the line of misinformation some of those in postal management want you to swallow.

 In an editorial, the [Washington Post](#) has said that "The postal mess is especially poignant and depressing, because it epitomizes America's broader economic and political gridlock. Postal rates remain under the control of inflexible regulators; Congress insists on six-day delivery and unprofitable local post offices in every district; federal law gives unions the edge in collective bargaining with postal management. Until now, no one has had sufficient incentive to make the tough decisions that could keep the Postal Service's debts from being the next multibillion-dollar commitment passed on to the federal taxpayer. What's missing is leadership, from both Congress and the White House. At the moment, postal unions are lobbying Congress to **release USPS from its requirement to pre-fund about \$5 billion in retiree health benefits**, which might enable USPS to meet union contract demands and balance its books - temporarily. **Congress must say no**. Pre-funding is the only leverage lawmakers have to force a long-term solution." *[EdNote: Maybe next time before the Washington Post starts talking about something of which it knows little, it'll seek out more information other than what postal management has been spoon-feeding it over the past year. It would be nice to find out that, with a bit more inquiry, it might actually learn something on what it is about the write before it's actually written. Man . . . quality journalism has sunk to a new low level.]*

 [Hellmail](#) has reported that "UK postal regulator Postcomm, today published an illustrative draft for a 'modified' Royal Mail licence. Postcomm said the draft modifications were to illustrate to interested parties how the changes, as part of its work to develop a new regulatory framework, might be implemented. It stressed that the draft was purely for information purposes whilst it sought initial views from interested parties and should not therefore be regarded as a final decision."


 [Hellmail](#) has reported that "TNT Post is the first direct mail supplier to be awarded the coveted Level 3 certification to PAS 2020, an environmental standard from BSI for the direct marketing and direct mail sector. Developed with the Direct Marketing Association (DMA), PAS 2020 is the first independently-certified environmental standard for the direct marketing and direct mail industry and provides the sector with the means for demonstrating the environmental performance of a direct marketing campaign. The certification for TNT Posts direct mail offering follows its collaboration with DMA last year, where the two organisations pledged a commitment to working together to promote environmental best practice within the direct mail sector."

 [Postal Technology International](#) has reported that "DHL Global Forwarding, the air and ocean freight forwarder of Deutsche Post DHL, and Emirates SkyCargo, the cargo division of Emirates airline, will partner to drive the e-freight agenda across their networks, to become the industry leaders in implementing it. Both companies recognise the strategic value of e-freight; working in an electronic environment will bring enhanced operational efficiency and improvement to the supply chain."

 [Fox News](#) has reported that "As the U.S. Postal Service grapples with service cuts and massive budget shortfalls, an estimated \$134.4 million dollars of its annual revenue is quietly slipping away to counterfeiters and perpetrators of other types of postal fraud. Counterfeit stamps have been identified as a steady, recurring risk for the U.S. Postal


Service, which reported a loss of \$8.5 billion in the last fiscal year, and they are one of the 10 biggest threats to Postal Service revenue, according to the 2009 annual report of the U.S. Postal Inspection Service, the law enforcement arm of the Post Office."


*December 6, 2010*



**[Welcome to PostCom Radio](#)**

*Join PostCom President Gene Del Polito and Postal Regulatory Commission Chairman Ruth Goldway in a discussion of recently introduced postal legislation and other postal issues.*



 **Bloomberg** has reported that "FedEx Corp. and the National Association of Manufacturers will work with the Commerce Department to find American companies that can boost their exports, U.S. Commerce Secretary Gary Locke said today. Locke said at a ceremony in Washington that the government will work with the second-largest U.S. package-shipping company and the manufacturers group to identify companies selling goods in one or two markets and then try to help them expand their reach to additional nations."



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

*This weeks Pushing the Envelope blog topic:*


- **Business Mail Acceptance Entry Points.** Mailings that meet minimum volume and preparation requirements to qualify for reduced postage rates are called business mail. Properly accepting business mailings is critical for the Postal Service since it accounted for \$25 billion in revenue in 2010. Do you think the Postal Service should restructure the entry points for business mail? [LINK](#) here to let us know!


*New Audit Projects: [LINK](#) here to visit our audit project pages. This week we opened the following new project(s): (Please share any information you may have that would help with this audit currently in progress by clicking on the link below):*


- **[Follow-up Review of Operations and Service in the Philadelphia District - 11XG009NO000.](#)** The OIG will assess the implementation of recommendations from Management Advisory, Allegations Concerning Operations and Service in the Philadelphia Customer Service District; Report Number NO-MA-09-001 dated March 30, 2009. This audit is self initiated and will be conducted in cooperation with Postal Service management. In 2008, the OIG initiated fieldwork to review performance of the Philadelphia Processing and Distribution Center. Consequently, we expanded our review to include allegations about mail processing, transportation, and delivery operations in the Philadelphia Customer Service District. One of our objectives of the audit was to determine if management is providing ample communication to employees regarding operational issues and more readily identify and address employees concerns.
- **[FY 2011 Financial Statements Audit - Eagan IT/ASC - 11BM003FT000.](#)** We plan to audit selected financial activities and accounting records at the Postal Services Eagan, MN, Information Technology and Accounting Service Center relating to payroll and payroll benefits, meter, cash, disbursing, and account receivables activities.
- **[FY 2011 Financial Statement Audit Headquarters. - 11BM004FT000.](#)** The Postal Reorganization Act of 1970, as amended, requires annual audits of the Postal Service financial statements. OIG audits are designed to comply with the Inspector General Act of 1978 and conducted in support of the independent public accounting firms overall audit opinion on the Postal Services financial statements.
- **[FY 2011 Financial Statements Audit - San Mateo IT/ASC - 11BM006FT000.](#)** This audit is in support of the Independent Public Accountants audit opinion on the financial statements. The San Mateo Information Technology/Accounting Service Center (ITASC) is one of three Postal Service Accounting Service Centers and is a large, centralized accounting and disbursement center responsible for payroll, employee accounts receivable, banking, meter, and disbursing activities. The OIG annually, issues financial statement audit


reports for the Eagan ITASC, headquarters and the other two Accounting Service Centers in Eagan, MN, and St. Louis, MO.

- [FY 2010 Financial Statement Audit - St. Louis IT/ASC - 11BM002FT000](#). This audit will examine accounting transactions and general ledger account balances used to prepare the financial statements of the Postal Service for the FY beginning October 1, 2010, and ending September 30, 2011. The internal controls will also be evaluated as of the FY ended September 30, 2011. The audit will also include subsequent events that may materially affect the financial statements for the year then ended.
- [Office of the Board of Governors' Travel and Miscellaneous Expenses for Fiscal Year 2011. - 11BG007FT000](#). Annually the expenses of the Board are reviewed as part of the financial statement audit. The audit is conducted in response to Board Resolution 86-12, requiring annual audits of its travel and miscellaneous expenses. A separate audit report is prepared for this review.
- [Postal Service Officers' Travel and Representation Expenses for Fiscal Year 2011. - 11BG008FT000](#). The Postal Reorganization Act of 1970, as amended, requires annual audits of the Postal Services financial statements. As part of these audits, the Board of Governors adopted policies and procedures that require annual audits of officers travel and representation expenses.

 The [Business Standard](#) has reported that "The Indian government today said the Department of Posts has registered an increase of 8.8 per cent in revenues to Rs 6,705.64 crore in 2009-10, as compared to the previous fiscal."

 [Parcel2Go](#) has reported that "A leading observer of the postal and parcel delivery industry in the UK has warned that many online businesses could be left high and dry by the promised government introduction of super-fast broadband services. And unless private couriers step up to the challenge of meeting the increased need for reliable delivery services which it could produce, many householders and businesses will be unable to benefit from high-speed internet connections."


 [Fox News](#) has reported that "The Swiss postal system has pulled the plug on WikiLeaks' bank account in another serious setback for the secret-spilling website that is fighting to stay online. An official with Swiss Post in the Swiss capital of Bern told The Associated Press on Monday that the account under WikiLeaks founder Julian Assange's name would be canceled."


 The [International Mailers Advisory Group](#) (IMAG) has elected a new Board of Directors to guide the organization through 2012. IMAG's new Chairman is Karen Houk, Director of Postal Affairs/Customer Service, International Delivery Solutions, and its Vice Chairman is Gene Del Polito, President of the Association for Postal Commerce. Susan Adams, Director, International Services, for RR Donnelley Logistics will serve as IMAG's Treasurer, and Mike Vassalotti, Vice President of Sales for Pitney Bowes International Services, will be its Treasurer.



The U.S. Postal Service Office of Inspector General posted the April 1 September 30, 2010, *Semiannual Report to Congress* to its website that highlights work during the second half of the 2010 fiscal year at

<http://www.uspsoig.gov/>. You can [LINK](#) here to go directly to the issue.

 In an [open letter to all employees](#) on his first official day in office, [PMG Pat Donahoe](#) defines core business strategies that will guide the organization to become a profitable, nimble Postal Service that competes for customers and has a well-defined and valued role in an increasingly digital world. Donahoe says the strategies will drive significant change in the organization in the coming days, weeks and months. We are not going to stray from our core business function mail and package delivery but we are going to revitalize the way we approach the marketplace, he states in the letter.

 As the [Herald-Dispatch](#) has noted, "Despite the public's concerns about the loss of jobs and effects on mail service, the U.S. Postal Service has announced it will proceed with consolidating the Huntington mail processing plant into its Charleston facility. There's little doubt that the move will have an economic impact on the Huntington

region and that the level of service will diminish in some regards. It also appears there's little to be done about it, considering the pressures that the Postal Service faces to remain financially viable."



Regarding the TNT decision to split mail from express, the [Financial Times](#) has noted that "There is certainly strategic logic for the split as the two businesses are very different. The snail-mail division focuses on Europe and particularly the Netherlands, and requires little capital. Its volumes shrank 7 per cent in the third quarter, although it still generates plenty of cash. Conversely, the global express business needs loads of capital to fuel its high growth agenda. Investors can now pick and choose. But the real impetus for the split may have come from TNT's activist investors, who want to facilitate an acquisition. US rivals Fedex and UPS covet the express business as a vehicle to take them further into Europe; a separate listing would make a takeover easier."

The [Billings Gazette](#) has reported that "The panoramic view from Rose Marie Mitchell's front door is a jaw-dropper. But it comes with a price. The United States Postal Service said it's too dangerous for their employees to come up the road because it's too steep, Rose Marie said. But it's not too dangerous for me to walk? Rose Marie cites two factors in her request to have mail delivered to the end of her driveway. Not only is she legally blind, but she frequently spends long periods of time as the sole occupant of the house."

As the [Courier, Express, and Postal Observer](#) has noted, "One of the greatest programs to help provide food for the poor has been the National Association of Letter Carriers food drive. For 18 years letter carriers have collected non-perishable foods from households which have gone a long way to fill the shelves at foodbanks. This program has become so successful, that alternative sources of donations could not fill foodbank shelves without the National Association of Letter Carriers and sponsors that promote the food drive."

The [Wall Street Journal](#) has reported that "Having survived the invention of the telephone, the future of the letter is now uncertain. The Internet and the use of email have led to a prolonged decline in the number of people using the postal system. Deutsche Post has seen a decline in the volume of its mail business of 2.8% in the third quarter of 2010 from the year-earlier period. But, argues Dr. Appel, there is an opportunity for growth and perversely it comes from the Internet. "Google is a synonym for a search engine, eBay is the synonym for a trading place. We want to become a synonym for a trusted transaction."

From [PR-USA.net](#): "Amerijet International, Inc. is pleased to offer affordable small package shipping solutions for businesses of all sizes. From home-based businesses to corporations, all types of businesses turn to Amerijet for shipping orders to customers. Their low flat rates help shippers save big with every transaction. Small packages weighing 60 pounds or less are billed at flat rates; the shipping rates are as low as \$35.00 for shipments weighing 10 lbs or less. This helps businesses get the best bang for their buck, and it takes the guesswork out of shipping quotes. Additionally, businesses are able to pass on the savings and convenience to their customers, creating a better overall experience for everyone involved."


A USPS district manager wrote in today's [Zanesville TimesRecorder](#) that "If the final study results support it, consolidation of some mail-processing operations at the Zanesville Processing Facility with those of the Columbus Processing and Distribution Center makes sense. It's not a matter of potential job loss for our employees. It's a matter of placing our employees in positions where we need them, as any business would do."

[Hellmail](#) has reported that:


[Russian Post](#) has reported that its 1st class priority mail service has shown strong growth for the first three quarters of 2010, with priority mail items reaching 9.3m, close to the total for all 4 quarters of 2009 (10.3m) and surpassing 2008 results by 63%. Russian Post also operates its own hybrid mail service for government and commercial organizations engaged in large-scale direct mail.


Four of six stages of a campaign called "[Plant for Romania](#)", a project aimed at replenishing trees in Romania, has been reached. Romanian Post has been working closely with the Romanian Forestry body with more than 100 employees volunteering to plant about 3,000 seedlings this year in several areas of southern Romania. Romanian Post SA said the aim was to plant a number of


trees equal to the number being processed for the manufacture of paper being consumed annually by the company.

 [Steve Lawson](#), editor for Hellmail Postal News said today that it was essential that if the UK coalition government goes ahead with privatising the Royal Mail, rural areas would not be "left behind".

*December 5, 2010*


 According to [Greenville Online](#), "Clemson University cost-cutters have targeted campus mail and postal services, a \$1.2 million operation partly subsidized by student fees and state taxpayer dollars, and are looking for someone to take over the operation."


 [Federal Times](#) has reported that "As the U.S. Postal Service keeps racking up massive losses, top executives regularly tout their success in cutting employee work hours. But those cuts so far aren't paying off in cash savings, according to figures from the agency's latest annual report. From 2008 through 2010, work hours fell 14 percent to about 1.2 billion. But pay raises and other expenses cut into the savings, and total personnel costs fell only 6 percent, to \$49 billion. USPS spokesman Greg Frey noted cost-of-living adjustments are required by union contracts. He also said payments aimed at encouraging employees to resign or retire early reduced savings. The imbalance in savings through cuts in work hours and cuts in payroll underscores how the vast postal work force could face mounting pressure for concessions on pay and benefits."


 *Here's an interesting piece from the [Wall Street Journal](#): "Okun's Law," as it came to be known, has been tweaked over the years, and now states that for every two percentage points the economy grows above its long-term trend annually, unemployment falls by a percentage point. Most economists peg the economy's long-term trend rate at about 2.5%, which is roughly where economists polled by The Wall Street Journal estimate growth stands in the current quarter. That means, according to Okun's Law, that the economy isn't growing fast enough to bring down unemployment."*





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 As [WLWT](#) has noted, "Talk about a rough first day on the job. A U.S. post office worker in training crashed a minivan into the garage of a Liberty Township home on Wednesday afternoon. The owner of the home said the postal worker, Lori Newsom, 58, of Cincinnati, was driving from the passenger seat of the vehicle while delivering mail and lost control. Newsom hit the garage of the home on Snow Valley Lane. The homeowner said Newsom's trainer was in the back seat when the crash occurred."

 From [24-7 Press Release](#): "United States District Judge Clay D. Land recently ordered the United States of America to pay Mary Bilbrey and her profoundly injured son, Anthony Bilbrey, more than \$11.5 million after United States Postal Service (USPS) employee Randy Malcom was found negligent in the operation of his mail delivery truck."


 The [New York Daily News](#) has a piece on "Postmaster General John E. Potter, a Bronx native, helped keep mail moving for 32 years."


 According to [MSNBC](#), "Over time the telegraph replaced the pony express, the phone replaced the telegraph, and the Internet replaced the phone. Now we can e-mail and text for instant and relatively inexpensive gratification. We're left without letters because, ostensibly, we have no reason for them. The post office is collateral damage."

 The [East African](#) has asked: "Will postal firms weather mobile phone onslaught?" "Price wars in the mobile telephony market have been a boon to consumers, resulting in reduced calling rates. But for postal corporations in East Africa, the wars have been costly to their core business. For many years, government-owned mail companies in





the region have kept the population in touch through delivery of letters. They have also made huge profits in the process. But all that has since changed. Instant messaging, e-mail, coupled with the slashing of call rates and mobile phone prices, have left letter-writing looking quaint and outdated."

 According to [The Northwestern](#), "Congressman Tom Petri wasted little time in getting to the heart of the matter and demanding answers in regard to the United States Postal Service's recommendation to close Oshkosh's mail processing center. A 15-day public comment period on the proposal ends Wednesday before a final determination is made on 120 community jobs. There's no doubt that the Postal Service, saddled with declining mail volume, underused facilities and an \$8.5 billion fiscal year loss, needs to make fundamental changes in how it does business. Consolidation is an unfortunate but necessary part of solving the agency's problems. Oshkosh's experience, though, is a textbook example of how to botch the process."

 [Hellmail](#) has reported that "The CEO of Italiane Poste, Massimo Sarmi, and the Director General of Russian Post, Alexander Kiselev, yesterday signed a trade agreement in the presence of Italian Prime Minister, Silvio Berlusconi, and the President of the Russian Federation, Dmitri Medvedev, under which Italy will provide Russian Post Offices Italian skills and expertise for the modernization of 40,000 Russian post offices, the logistics network, and the introduction of online financial services and mobile telephony. The agreement was signed at the Italy-Russia bilateral summit in the Russian city of Sochi on the shores of the Black Sea."

**December 4, 2010**


 [Summit Daily](#) has reported that "Summit County residents looking to apply for or renew a passport will now have to either wait or drive to put in their applications since two local post offices stopped offering passport services in the last two months. The two post offices in Summit County that handled passports, the Dillon and Breckenridge offices, have both discontinued the service due to staffing shortages."


 [WDIV](#) has reported that "A postal mail handlers union president is accused of stealing from the union. Donald Kister was elected president of a mail handlers union. However, he is now accused of stealing union assets while in position."





***From the Federal Register:***

- [Postal Regulatory Commission PROPOSED RULES](#) Periodic Reporting Rules , 7565575656 [201030448] [\[TEXT\]](#) [\[PDF\]](#)
- [Postal Service NOTICES](#) Meetings; Sunshine Act , 75707 [201030667] [\[TEXT\]](#) [\[PDF\]](#)

 The [Press Information Bureau of India](#) has noted that there are unfilled jobs at India Post that are waiting to be filled. *[Must be willing to relocate.]*

 [The Mercury](#) has reported that "Australia Post is set to cut 14 Tasmanian jobs under plans to restructure operations and staff fear further cuts."

 [DutchNews](#) has reported that "Postal delivery firm TNT is prepared to reduce the number of compulsory redundancies it is planning still further if the unions agree to moderate their pay demands in 2012 and 2013, news agency ANP reported on Friday. Postal union BVPP says TNT has offered to create an extra 300 jobs in its parcels delivery arm and reduce the compulsory job losses by 250 by phasing in the reorganisation over a longer period. In return, the unions are being asked to agree to a pay freeze in 2012 and 1% increase in 2013. TNT Post wants to save 430m by reducing the delivery workforce by 11,000 jobs. Of that some 3,000 would be forced redundancies."


 [Post & Parcel](#) has reported that "Canada Post has successfully completed one of the most sweeping retail technology rollouts in Canadian history. With its retail point-of-service (RPS) project, Canada Post addressed shortcomings in its retail network, by far the largest and most expansive in Canada, and created a platform that will allow the company to offer new products and services."


 **DMM Advisory: 2011 Priority Mail Cubic Tier Measurement Modification Available for Early**


**Adoption No Exception Required.** When we change our Shipping Services prices on Jan. 2, 2011, a change in the method for calculating Priority Mail commercial plus cubic pricing tiers also will be implemented. At that time, when customers are measuring pieces to calculate pricing tiers, any fraction of a measurement should be rounded down to the nearest 0.25 inch, as opposed to the current method of rounding off each measurement to the nearest whole inch. In anticipation of this change, and to help ease this transition, the Postal Service will immediately begin accepting Priority Mail commercial plus cubic mailings using the modified measurement approach without our customers having to request an exception for early adoption. The final rule "Domestic Shipping Services and Mailing Standards Changes" can be viewed on the Postal Explorer website at [pe.usps.com](http://pe.usps.com) by clicking on "[Federal Register Notices](#)" in the left frame.


 **At the Postal Regulatory Commission:**

- On-Roll and Paid Employee Statistics (ORPES), November, 2010 (Pay Period 24, FY2011)  
[http://www.prc.gov/docs/71/71125/Letter-ORPES\\_PP24FY2011.pdf](http://www.prc.gov/docs/71/71125/Letter-ORPES_PP24FY2011.pdf)  
[http://www.prc.gov/docs/71/71125/Nov\\_PP24\\_2010.doc](http://www.prc.gov/docs/71/71125/Nov_PP24_2010.doc)

 The [European Regulators Group for Post](#) (ERGP) held its first meeting on 1 December 2010 following its establishment on 10 August 2010 by the European Commission. Jolle Toledano, commissioner at ARCEP, the French postal and telecom regulator, was elected as the Chair of ERGP for 2011, while Tim Brown, Chief Executive at Postcomm, the UK postal regulator, and Gran Marby, Director General of the Swedish regulator PTS, were elected Vice-Chairs for 2011. Strengthened cooperation between independent national regulatory authorities is increasingly important with the liberalisation of postal markets across Europe. With the objective of developing best regulatory practice ERGP is becoming an integral part of an internal postal market and a driving force in ensuring that European citizens have real choice stemming from a competitive market, which will also have positive impact on innovation within the rapidly changing postal delivery sector.

 [CNBC](#) has reported that "FedEx Corp. is raising rates for ground shipping and home delivery by an average of 4.9 percent next month. The world's second-largest package delivery company said Friday that the new rates will take effect Jan. 3. The full rate increase of about 5.9 percent is being partly offset by adjusting when the fuel surcharges kick in, which trims the surcharge by 1 percentage point. FedEx also said rates for its SmartPost service contracts with individual shippers will change, but it declined to give details." See also [Barron's](#) and [Reuters](#).

 The [Memphis Commercial Appeal](#) has reported that "FedEx wins labor battle with UPS as House delays FAA bill."

 [Advertising Age](#) has reported that "TV viewers who aren't already skipping ads with DVRs may soon find they are no longer compelled to change the channel or hit mute every time a loud ad comes on the air. And that will make all commercials seem just a little less annoying. Congress on Thursday approved legislation that regulates the volume at which commercials can air. The Commercial Advertising Loudness Mitigation Act, which was introduced by California Rep. Anna G. Eshoo in June 2008, requires the Federal Communications Commission to "prescribe a standard to preclude commercials from being broadcast at louder volumes than the program they accompany." The bill will next go to President Obama."

*December 3, 2010*

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

- PostCom has posted a summary of some of the key points made in testimony at the postal hearing on "Finding Solutions To The Challenges Facing The U.S. Postal Service" conducted by the Subcommittee on Federal Financial Management, Government Information, Federal Services, and International Security.

- The U. S. Postal Service has published its 70-page 2010 Comprehensive Statement on Postal Operations. PostCom's review of the publication provides the highlights.
- The Association for Postal Commerce (PostCom) and the Direct Marketing Association Inc. (DMA) on November 24, 2010, submitted comments to the Postal Regulatory Commission (PRC) in response to the USPS request for temporary waivers from periodic reporting of service performance measurement for First Class Mail Flats at the District level; non-retail First Class Mail Parcels; all categories of Standard Mail; Outside County Periodicals; non-retail Media Mail, Library Mail, and Bound Printed Matter Parcels; and Stamp Fulfillment Services. PostCom and DMA asked the PRC to schedule a conference with USPS and industry to discuss issues related to service performance measurement and reporting; raised concerns around the USPS' service performance measurement business rules and recent changes; asked the USPS to provide more detailed data on IMb adoption; raised concerns about exclusion of Full-Service IMb pieces from measurement; and opposed the USPS' requested waivers for Standard Mail categories.
- The USPS last week posted its Quarter 4 results which reflect service performance between July 1, 2010, and September 30, 2010. According to the USPS' measurement reports, First-Class Mail Single Piece service performance improved in all measured categories; First-Class Mail Presort service performance declined; Destination Entered Standard Mail service performance declined; End-to-End Standard Mail service performance declined to the lowest score since the USPS began reporting service performance for the category; Periodicals service continued a gradual improvement; and Package Services service performance declined.
- PRC approves USPS 2011 proposed shipping services price change. Postal Service embraces reform legislation.
- An update on DMM Advisories issued by the U.S. Postal Service.
- An update on postal rules and notices published in the Federal Register.
- A review of postal news from around the world.
- Postal previews.


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**At the Postal Regulatory Commission:** [The Commission has begun work on Section 701 of the Postal Accountability and Enhancement Act \(PAEA\)](#) as required to issue its report to the President and Congress concerning the operation of amendments made by the PAEA and other recommendations for any legislation or other measures to improve the effectiveness or efficiency of the postal laws of the United States. Once the report is completed, the Commission will forward it to the Postal Service for comment. Both the report and the Postal Service's comments will then be submitted by the Commission to the President and to Congress. To better inform the Commission as it conducts its review, the Commission will hold a public forum at 2:00 p.m., on Tuesday, January 11, 2011, at the Commission offices. Members of the public will be invited to discuss informally their views with the Commission. All members of the postal community and interested persons are also invited to send their comments by e-mail to [pagr-prc@prc.gov](mailto:pagr-prc@prc.gov), or by mail to the following address: Postal Regulatory Commission Office of Public Affairs & Government Relations 901 New York Avenue NW, Suite 200 Washington, DC 20268-0001

 **DMM Advisory: 2011 Shipping Services Price Change Update.** **The Postal Regulatory Commission (PRC) issued an order yesterday afternoon which found that the Shipping Services price change we announced last month complies with statutory requirements. We intend to implement these prices on January 2, 2011,** as planned. Last month's filing at the PRC for two new incentive programs Reply Rides Free and the Saturation Mail/High Density Incentive Program and the Move Update threshold change is still pending.


 [Media Daily News](#) has noted that "Congress Asks If Do-Not-Track Will Deflate Ad Economy." [EdNote: Duh!]


 As the [Washington Post](#) has noted, "Patrick R. Donahoe began his first congressional hearing as postmaster general-designate on a sunny note. But moments after Donahoe's brief bit of optimism, he described an organization that is financially very weak. "Our total loss for [fiscal 2010] year was \$8.5 billion," said Donahoe, who officially becomes postmaster general Saturday. "This is a stunning number in many aspects, and it is unsustainable." On that point, everyone agrees. There's less agreement on how to nurse the U.S. Postal Service back to health, particularly on what it says is a vital remedy: cutting one day of delivery. Whatever the fix, all agree the service needs help fast."


 [The Scotsman](#) has reported that "Small businesses have warned that postal delays could hit them hard as invoice payments fail to get through in the snow. The Federation of Small Businesses in Scotland said delivery problems meant hundreds of small companies across Scotland had not received mail for some days - meaning many had missed out on crucial payments from customers."


 **At the Postal Regulatory Commission: Docket No. CP2011-26:** "The Postal Service proposes changes in rates of general applicability for certain competitive products and related classification changes. The changes are scheduled to become effective January 2, 2011. The Commission approves the planned rate changes and will reflect the classification changes in the draft Mail Classification Schedule (MCS)."

### *December 2, 2010*

 [Government Executive](#) has reported that "U.S. Postal Service officials and employee groups said Thursday they support a Senate bill that would provide greater flexibility to set alternate delivery schedules and change pension funding requirements, both of which would help stabilize finances at the struggling agency."

 From [WebWire](#): "The incoming postmaster general told a U.S. Senate subcommittee Thursday that one of his highest priorities would be to improve the customer experience, making the Postal Service "leaner, faster and smarter" in the years ahead. Deputy Postmaster General Patrick R. Donahoe, who will become the nation's 73rd postmaster general on Monday, said he is looking at all the ways the Postal Service deals with its customers. "Every interaction with us," he said, "with a carrier, a clerk, at a kiosk, at a contracted desk or online must be a great one."

 From [PRNewswire](#): "Mark Strong, President of the National League of Postmasters submitted a Statement to a Senate Subcommittee concerning S.3831 that opposed provisions in the measure lowering Standards for Rural Postal Services and making it easier to close small rural post offices. "This bill lowers the standard for rural postal services. Anytime such a standard is lowered, and an institution is told that it no longer has to provide the maximum degree of service but only 'effective' service, the result is going to be reduced service," said Strong. The League also strongly supported a provision in the bill that would allow the Postal Service to use a surplus in its pension fund to prefund its retiree health obligations. This transfer measure has mistakenly been called a "bailout" by a number of commentators. "This is our money, not tax money," said Strong, "and if Microsoft or Apple found that it had overpaid into its pension account and wanted to use that surplus to prefund its retiree health benefit obligation, no one would think twice about it. Why is the Postal Service different?" said Strong."

 The [Washington Post](#) has reported that "Patrick R. Donahoe began his first congressional hearing as postmaster master general-designate on a sunny note. "Despite recent headlines, the Postal Service remains a very strong and motivated organization," he told a Senate Homeland Security and Government Affairs subcommittee on Thursday. Motivated for sure. But moments after Donahoe's brief bit of optimism, he described an organization that is financially very weak. "Our total loss for the [fiscal 2010] year was \$8.5 billion," said Donahoe, who officially becomes postmaster general on Saturday. "This is a stunning number in many aspects, and it is unsustainable." On that point, everyone agrees. There's less agreement on how to nurse the U.S. Postal Service back to health, particularly on what it says is a vital remedy: cutting one day of delivery. Whatever the fix, all agree the service needs help fast." Sen. Susan M. Collins of Maine, the top Republican on the full committee, summed up the Postal Service's financial condition with one word: "abysmal." She and Carper each have introduced legislation designed to keep USPS from death's door."



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

- Senator Collins (R-ME) introduced a new postal bill, Postal Service Improvement Act of 2010, this week before Congress. Collins is a long-time advocate of the Postal Service and a primary author of the Postal Accountability and Enhancement Act of 2006. There are thirteen provisions in the bill that are meant to help the Postal Service remain fiscally sound and self-sustaining.
- According to Gene Del Polito, President of the Association for Postal Commerce, "we believe your bill addresses squarely what we consider to be the number one issue that is crying for Congress' attention, and this is a rectification of the manner in which the pre-payment of postal retiree health benefits should be handled. This issue has drained funds that are needed to redirect the postal system to better comport with the nation's changing needs. It has hung like a sword over the heads of businesses threatening the viability of a universal postal system that's still needed for business communication and commerce. This bill sets forth a plan that presents a sound remedy to this situation."
- According to Jim Cregan, senior member of the Affordable Mail Alliance (AMA), "[Senator Collins is] to be commended and congratulated for writing, sponsoring, and moving forward with an excellent bill that squarely addresses several key issues that are threatening the stability of our nation's postal system."
- If Congress were to address the USPS overfunding issues, all of the Postal Service's retirement-related funding obligations would be fully met. In other words, there would be no need to require users of the mail to continue making payments to the federal treasury or to require the U.S. Postal Service to divert much needed fiscal resources to fulfill an obligation that, through a less taxing approach, could be fully satisfied. The nation, and particularly those who rely on a universal mail system for business communication and commerce, awaits Congress' taking this prudent step.
- The Postal Service published its unaudited October results with the Postal Regulatory Commission. USPS earned \$283 million in October 2010. This is the first quarterly net income in over two years.
- The Institute for Research on the Economics of Taxation (IRET) issued a report this week titled "Opportunities for the Postal Service to deliver Nonpostal Government Services." The IRET covers additional nonpostal government services the USPS could pursue under PAEA, while confirming that the USPS should not pursue nonpostal commercial services.
- The USPS Office of Inspector General (OIG), in its self-initiated report, found that the Postal Service has an opportunity to meet its obligations while conserving cash and improving its financial condition by defining prefunding requirements to standards set by other organizations. The USPS could prefund pensions at 80 percent and retiree health care at 30 percent. According to the OIG, "many entities in the public and private sectors fund these future liabilities at less than 100 percent."
- The USPS Office of Inspector General has released its' Audit Report - City Delivery Operations Workforce Planning (Report Number DR-AR-11-001). The report presents the results of the OIG audit of workforce planning in city delivery operations. It concluded that 7 million of the 28 million overtime hours could have been avoided for full-time city letter carriers by maximizing available, lower cost carrier resources to deliver the mail.
- The U.S. Postal Service Office of Inspector General (OIG) on November 23, 2010, released its management advisory on Full-Service Intelligent Mail Program Customer Satisfaction. The OIG's objective for this review, it said, was "to determine customer satisfaction with the Full Service IM Program and identify barriers to mailer participation." It concluded that Full-Service participants disclosed mixed results for the program usefulness and non-participants expressed several concerns with the program. The OIG recommended that the USPS re-emphasize Full Service Intelligent Mail Program benefits to Postal Service business mailers; consider offering program incentives to business mailers to offset program start-up costs; and provide continuing training to Business Mail Entry clerks and PostalOne! Help Desk employees on important Intelligent Mail issues.
- The USPS on November 26, 2010, published in the Federal Register its final rules concerning changes to Express Mail Open and Distribute and Priority Mail Open and Distribute. PostCom had submitted comments to the USPS opposing its proposed five-pound minimum weight for Express/Priority Mail Open & Distribute sacks, and asking for clarification on its proposed changes to Express Mail Open & Distribute service commitments. The USPS said that after review of the comments and further consideration, it "decided to adopt the proposed regulations with a minor revision." The changes, which include a five-pound minimum weight requirement for Express/Priority Mail Open and Distribute sacks except for those containing qualifying trays; new labeling requirements on Express Mail Open and Distribute containers,

and revised service commitment for Express Mail Open and Distribute as a guaranteed end of day product; will take effect on January 2, 2011.

- According to Mark Strong, President of the National League of Postmasters, "myths about the Postal Service fly fast and far these days. Some of these myths make it into print and can morph from pure myth to perceived reality."
- Economic conditions have dramatically changed. No longer is there a future of budget surpluses, now there is a river of deficits running far into the future. Truth to tell, the Postal Service no longer has the sufficient revenue to do postal retiree health benefit prefunding.
- In magazine world, a new crop of chiefs. High costs and lack of training are barriers to Intelligent Mail. Republican seeks more power for watchdogs. UPS fights fire with fire' to fill pension gap: credit markets. NAPS sends letter to Donahoe. USPS must improve IT contract payment oversight, says OIG. UPS opens new Phoenix facility. Print still reigns, but more retailers turn to TV, online ads for holidays. Chaffetz calls PMG's retirement package ridiculous.' PRC set comment deadline in semi-permanent exception docket. Commissioner Acton Named PRC Vice Chair.
- An update on DMM Advisories issued by the U.S. Postal Service.
- An update on postal rules and notices published in the Federal Register.
- An update from the USPS Office of Inspector General.
- A review of postal news from around the world.
- Postal previews

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[Senator Susan Collins](#), Ranking Member of the Senate Homeland Security and Governmental Affairs Committee, today introduced legislation to help the U.S. Postal Service (USPS) regain its financial footing as it adapts to the era of increasingly digital communications. The "[U.S. Postal Service Improvements Act of 2010](#)" would help the USPS achieve financial stability and future cost savings without undermining customer service. "The Postal Service is at a crossroads," said Senator Collins. "It must embrace changes to revitalize its business model, enabling it to attract and keep customers. This legislation would help spark new life into the Postal Service, helping it evolve and maintain its vital role in our nation's economy. I appreciate the support of a number of groups including the National Newspaper Association, Affordable Mail Alliance, PostCom, and the Alliance of Nonprofit Mailers in this reform effort. "



[Today's Senate postal hearing](#): "Finding Solutions To The Challenges Facing The U.S. Postal Service" Subcommittee on Federal Financial Management, Government Information, Federal Services, and International Security. [A running summary of comments offered](#) has been posted on this site. For a more complete, immediate report on those proceedings, check that summary. You can also [view archive webcast](#)

 [The Independent](#) has reported that "a union's claim that An Post's entire 10,000-strong workforce may lose their jobs when the market is thrown open to competition next year was dismissed as an "exaggeration" yesterday. Members of the Communications Workers Union (CWU) braved the icy conditions yesterday to stage a protest at the Dail over the forthcoming liberalisation of the postal market."


 [Hellmail](#) has reported that "Snow and extreme temperatures continue to make driving conditions in many areas of the UK difficult and in some areas, even deliveries on foot impossible. Some areas of Europe have seen extraordinarily low temperatures with many areas completely cut off. In the UK, the RAC has reported that it is taking 2,000 calls an hour."


 The [Associated Press](#) has reported that "TNT NV, the Dutch postal company, has detailed its plans to legally separate its express and mail arms in January, and says CEO Peter Bakker will quit after the division is complete sometime next year. The company's express operations are growing, while the former Dutch mail business monopoly faces declining volumes and disputes over layoffs. In November, each reported a euro78 million (\$102 million) third quarter operating profit. The two arms will receive separate stock market listings if shareholders approve the idea at an annual meeting in May." See also the [Wall Street Journal](#) and [Bloomberg](#).


 The [Wall Street Journal](#) has reported that:


- Dutch postal and express group [TNT NV will sell its Express delivery unit](#) for the right price, Chief Financial Officer Bernard Bot told Dow Jones Newswires Thursday. Speaking in London at an investor conference outlining the details of the splitting of TNT into two divisions, Bot said the separation, which is expected to be completed in spring, will make it "much easier" for Express to be acquired.
- [Postal and express group TNT NV](#) Thursday said long-serving Chief Executive Peter Bakker will leave after the company is split in two. Bakker, chairman and CEO since 2001, Bakker has overseen several strategic shifts at the Dutch postal company, but most recently has been criticized by observers for being slow to react to shareholder pressure to separate the company's mail and express operations to generate better value.


 **From the Federal Register: Postal Service RULES** International Service Changes: Israel , 7515175153 [201030186] [\[TEXT\]](#) [\[PDF\]](#)


 The [Wall Street Journal](#) has reported that "Seven members of the White House's deficit commission, including the chairman of the Senate Budget Committee, endorsed its final plan Tuesday, setting up the prospect of action to address the nation's fiscal woes next year. The full 18-member panel will vote on the proposals to cut the deficit on Friday and is expected to come up short of the 14 votes needed to issue a formal recommendation to Congress and the White House. But the show of bipartisan support, including the votes of five of the six members appointed by President Barack Obama, gives the plan momentum many thought impossible just weeks ago."


 The [Irish Times](#) has reported that "up to 10,000 jobs at An Post are under threat as a result of new legislation allowing for liberalisation of the postal market, the union representing staff at the company has claimed. The Communications Workers Union (CWU) said the Government's Postal Services Bill, published this week in the Seanad, would also undermine daily deliveries throughout the State, particularly in rural areas."


 The [National Commission On Fiscal Responsibility And Reform](#) has reported that "the Postal Service has run multi-billion dollar losses since 2007, and in 2010 maintained an operating deficit of \$8.5 billion, even after receiving a \$4 billion bailout from Congress the previous year. With the dramatic expansion of electronic mail, the volume of traditional air-mailed items will continue to fall, only worsening these enormous budget shortfalls and requiring even more federal funding in the future. To put the Postal Service on a path toward long-term solvency, the Commission recommends reversing restrictions that prevent the Postal Service from taking steps to survive such as shifting to five-day delivery and gradually closing down post offices no longer able to sustain a positive cash-flow."


 According to the [Mail Handlers Union](#), "The last general wage increase under the 2006 National Agreement, set at 1.2%, will be implemented effective November 20, 2010, and will be reflected in paychecks issued on December 10, 2010."


 The [American Postal Workers Union](#) has told its members that "The USPS Office of Inspector General (OIG) concluded in a recent report that the Postal Service prefunds its pension and retiree healthcare benefits at levels that are substantially higher than other government agencies, the military, and private-sector businesses. Reducing the required funding levels would result in projected USPS savings of more than \$60 billion, the OIG found, and would allow the USPS to meet its obligation while conserving cash and improving its financial position."


 According to the [Daily Yomiuri](#), "With the current extraordinary session of the Diet set to end Friday, it has become extremely unlikely that a set of government-sponsored postal reform bills will pass the legislature. As things stand, Japan Post Group--an entity with a holding company and four corporations under its umbrella--will find it impossible to transform itself into a three-entity structure and thereby improve the convenience of its services for the public. It also will be unable to embark on new business ventures to improve the quality of its services and shore up its business footing. We believe the Diet should try to fulfill the wishes of ordinary people to see progress in reform efforts to make post offices even more convenient to use." See also [Nikkei](#).


 [Hellmail](#) has reported that:


 Another six months has transpired, and it is time for [a final review of Royal Mail's calendar year-end financials](#). Royal Mail Group (RMG) stated, operating profit (which is really pre-operating profit or POP) for the period declined 132m due to further declines in mail volume.

 [Serbian Post](#) (Public Enterprise of PTT Communications "Srbija") this week set out a program of modernisation for 2011, which it described as a 'planning document' - yet to be approved by the Serbian government.

 The [CEO of Norway Post](#), Dag Mejdell, today took over as president of the International Post Corporation.

 [Federal Times](#) has reported that "Ten days after their old contract officially ended, the U.S. Postal Service and its largest union will keep talking a while longer in hopes of agreeing to a new one. "We will be working late tonight and early tomorrow," American Postal Workers Union President Cliff Guffey said in a web release this afternoon. The two sides will continue negotiations until they either reach an agreement or decide that a deal is not possible, the release adds. In an e-mail, USPS spokesman Mark Saunders said only that "both parties have agreed to negotiate beyond today." See also the [Washington Post](#).

 The [Postal Service](#) has posted its FY2010 Qtr. 4 service performance report on its web site.

 The [Associated Press](#) has reported that "Senate Republicans intend to block action on virtually all Democratic-backed legislation unrelated to tax cuts and government spending in the current postelection session of Congress, officials said Tuesday, adding that the leadership has quietly collected signatures on a letter pledging to carry out the strategy."


 **DMM Advisory: Published Federal Register Notices.** The following three [Federal Register](#) notices have been posted on the Postal Explorer website at [pe.usps.com](#).


- **Express Mail Open and Distribute and Priority Mail Open and Distribute** This final rule adopts revised standards for labeling Express Mail Open and Distribute containers, revises the Express Mail Open and Distribute service commitment to receipt by end of day (11:59 p.m.), and adds a 5-pound minimum weight requirement for Express Mail Open and Distribute and Priority Mail Open and Distribute sacks (with a few specified exceptions). The effective date is January 2, 2011.
- **Clarification of Post Office Box Lock Replacement Fee** This final rule clarifies the applicability of the lock replacement fee for Post Office boxes to reflect the current practice of applying the lock replacement fee as a late payment charge when the customer renews a PO Box more than 10 days after the renewal date, whether or not the lock is actually changed. The effective date is January 2, 2011.
- **Group E Post Office Box Service** This proposed rule clarifies eligibility, simplifies the standards, and facilitates uniform administration for Group E (free) Post Office Box service, which is provided, with restrictions, to customers whose physical addresses do not receive any form of USPS carrier delivery service. Customers are encouraged to comment on or before December 27, 2010.


 **At the Postal Regulatory Commission:**



- Postal Regulatory Commission (PRC) Chairman Ruth Y. Goldway has announced [the election of Mark Acton as Vice Chairman](#) of the Commission, succeeding Tony Hammond. PRC regulations provide that the Commissioners elect a member to serve as Vice Chairman for a term of one year.
- A webcast of the Postal Regulatory Commission's public meeting of December 1, 2010 can be found at [http://www.prc.gov/prc-docs/home/whatsnew/Monthly\\_Meeting\\_12012010.mp3](http://www.prc.gov/prc-docs/home/whatsnew/Monthly_Meeting_12012010.mp3)

 According to [Media Daily News](#), "Ad revenues on mobile devices are set to soar over the next five years as smartphones spread and consumer attachment only grows. BIA/Kelsey projects that revenues came in at \$491 million last year, and are headed toward \$2.9 billion in 2014."


 The [New York Times](#) has reported that "The Federal Trade Commission advocated a plan on Wednesday that lets consumers on the Internet choose whether they want information about their browsing habits to be collected, an option known as "do not track."


 [ABC News](#) has reported that "FedEx Corp. has said more than 200 jobs will be cut when it closes a shipping terminal in southwest Ohio in January."


*December 1, 2010*


 The [Azerbaijan Business Center](#) has reported that:


- [Azerpocht Ltd](#) has begun installing in Baku new automatic mailboxes running on solar batteries.
- The [Regional Commonwealth of Communications](#) hopes for assistance of Azerbaijan's Azerpocht in improvement of RCC participating countries' postal systems.

 MAILCOM 2011 Washington, DC UPDATE The 31st Annual Conference & Exhibition February 28-March 3, 2011 Washington Hilton / Washington, DC [www.mailcom.org](http://www.mailcom.org) Early-Bird Registration Deadline December 15, 2010

 The [Wall Street Journal](#) has reported that "Couch potatoes of America, listen up. Congress may be just days away from turning down the volume on ear-splitting TV. The Commercial Advertising Loudness Mitigation, or CALM, Act follows rules set last year by a United Nations body in Switzerland on how to measure and clip broadcast volumes. The U.S. bill, inspired by decades of consumer complaints, should finally ban TV ads that blare louder than the programs they interrupt."

 [West Virginia Metro News](#) has reported that "A U.S. Postal Service spokeswoman says operations at the Beckley and Huntington mail processing centers will be consolidated into the Charleston processing and distributions center."

 [WJRT](#) has reported that "To cut costs the United States Postal Service is looking to consolidate its Saginaw processing operations and move it to a plant in Pontiac."

 According to [Direct Marketing News](#), "American voters sent a clear message about government spending last month when they voted in a new House of Representatives class dominated by Republicans. Direct marketing industry experts are hoping this new

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Congress will take measures to help the US Postal Service get its financial house in order as well."

 [The Comet](#) has reported that "Despite opposition by union members, the delivery office in Hitchin will close and move to Stevenage, while the New Town's sorting office will go to a major new centre in Hemel Hempstead, after Royal Mail bosses gave the money-saving project the green light. The company estimates the reshuffle will mean 300 jobs will be lost out of the 4,500 in the wider Hertfordshire area, while travel to sites further afield may mean workers have to give up their jobs."


 [Trend](#) has reported that "The post operators are allowed in Azerbaijan to render all banking operations (excluding issuing credit), on the basis of a license issued by the Central Bank of Azerbaijan." See also [News.az](#) and the [Azerbaijan Business Center](#).


 [Helsinki Times](#) has reported that "Flight cancellations caused by the cabin crew walkouts are to somewhat delay postal deliveries, according to a statement on Wednesday by Itella, formerly known as Finland Post. Particularly post from southern Finland to northern Finland is expected to be delayed. Itella is arranging road transportation for airmail in order to keep disruptions at a minimum. Read more: [Cancelled flights disrupt postal deliveries](#)."


 The [Zanesville Times Recorder](#) has reported that "The U.S. Postal Service could save about \$478,000 if it consolidates its Zanesville mail processing and distribution operations into the Columbus distribution center. Two previous studies indicating cost savings of between \$700,000 and \$800,000 if work was consolidated."


 [Press Release](#): "NetDespatch has made its web shipping, tracking and advanced systems integration tools available for Royal Mail Tracked and Royal Mail Tracked Next Day services. The NetDespatch Velocity system provides a new and convenient online method for Royal Mail customers to produce Royal Mail barcoded shipping labels, electronic pre-advice files and paper collection manifests. Royal Mail will offer the NetDespatch service as a free Royal Mail Tracked on-line despatch management service. This will provide multiple methods of systems integration, including web services, FTP and the unique Velocity Connector application for secure automated file transfer, which will streamline despatch operations for major home shopping companies, manufacturers and on-line retailers as well as thousands of smaller organisations using Royal Mail Tracked services."


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

 The Dutch government instructed the competition watchdog authority NMa to investigate in price dumping in the postal market. If it is proved that Sandd, Selektmail and TNT's subsidiary Network VSP sell their products below costs, the government would take action against this.


 The government's draft for the 'law to regulate De-Mail services' came under fire in the German upper house.

 "It is too early to determine the form, a timeframe or the terms of the post's privatisation". Portuguese minister of finance, Teixeira dos Santos, officially spoke out against any speculations about CTT Correios's privatisation planned for 2013.

 The Romanian government plans to invest into the post's equipment to prepare the company for the upcoming market opening in 2013.

 Purolator (turnover 2009: 1.05bn euros, EBIT: 39.7m euros), Canada Post's express subsidiary, has sparked rumors. The country's biggest express service with 11,300 employees is reported to seek closer ties with FedEx.


 The market prices for CEP-services in Germany are still under massive pressure.

 French La Poste's postal bank issued a 750m euros bond last week.




The [MRU](#), founded in 1992, is the only consultancy in Europe, which has specialised in the market of courier-, express- and parcel services. For large-scale shippers and CEP-services in particular, the MRU provides


interdisciplinary advice for all major questions of the market, as there are for example market entry, product design, organisation, and EDP. [To learn more about the stories reported above, contact CEP News.](#) (We appreciate the courtesy extended by CEP News to help whet your appetite for more of what CEP offers.)


 [UNI Post & Logistics Global Union](#) welcomed the announcement that the Netherlands Government is going to investigate whether the mail companies Selekt Mail and Sandd have been dumping on prices to try and drive out TNT. But they say the Government should also be investigating their social dumping activities. UNI has been for some time demanding that the European Commission look into the social dumping by the mail companies in the Netherlands and has said liberalisation of the mail market is costing workers jobs, has been putting their income below social minimums and means that for the customers a quality postal service has been plummeting.





**From the Federal Register: Postal Service NOTICES** Product Changes: Parcel Return Service Negotiated Service Agreement , 74755 [201030185] [\[TEXT\]](#) [\[PDF\]](#)

 [Hellmail](#) has reported that "Czech Post and the Czech Interior Ministry have announced new features for the Data Box - Czechoslovakia's digital mail service, which was launched in November 2009. The Czech government backed the introduction of Data Boxes, a national electronic documents delivery system as a cheaper and faster way for authorities and business to communicate with Czech citizens. The service uses a secure infrastructure, setting it apart from conventional email."

 According to the [Herald-Dispatch](#), "In the decades gone by, mail -- never referred to as snail-mail, it was simply mail -- was the main way folks communicated with each other when they were out of the local calling area. Stamps were cheap, penmanship was stressed and long-distance phone calls were expensive. The result was that people consistently used the postal service for everything from love letters to job applications, and of course, bills. Mail was meaningful. While those days may not be forgotten by many; they are gone. The U.S. Postal Service may be going the way of the rotary phone."

 The [Daily Caller](#) has reported that "Rep. Jason Chaffetz called the \$5.5 million retirement package for outgoing Postmaster General John Potter absurd and unfair in the wake of the United States Postal Service's announcement that it had lost \$8.5 billion this year. "That was ridiculous," Chaffetz said in a phone interview with The Daily Caller. "It doesn't seem fair to anybody." The congressman from Utah is the ranking Republican member on the Subcommittee on Federal Workforce, Postal Service, and District of Columbia. He has been working with California Rep. Darrell Issa, the ranking Republican member of the Oversight Committee, on "introducing a comprehensive postal reform bill," he said."

 [The Tribune](#) has reported that "the Nigerian Postal Service (NIPOST) has received emergency notifications from the International Bureau of the Universal Postal Union regarding mail despatches into Canada and the United States of America. The notifications, signed by the UPU Director of Operations and Technology, Akio Miyaji, gave details of the United States Transport Security Administration (TSA) heightened security measures for international mails destined for the United States of America from member countries of the UPU."

 [WVNS](#) has reported that "The United States Postal Service announced on Tuesday, Nov. 30 that it will be consolidating mail processing operations in Beckley and Huntington with those in Charleston. Rep. Nick Rahall, D-W.Va., released a statement upon being notified of the change." See also [WSAZ](#).



**At the Postal Regulatory Commission:**

- National Payroll Hours Summary Report, Pay Periods 21, 22, 23, FY 2011  
[http://www.prc.gov/docs/71/71078/Letter-NPH-pp\\_21-23\\_FY\\_2011.pdf](http://www.prc.gov/docs/71/71078/Letter-NPH-pp_21-23_FY_2011.pdf)  
<http://www.prc.gov/docs/71/71078/bb2311.pdf>  
<http://www.prc.gov/docs/71/71078/bb2111.pdf>  
<http://www.prc.gov/docs/71/71078/bb2211.pdf>