# PostCom News Archives December 2017

# **National News**

#### December 30

<u>Reuters</u>: President Donald Trump called on the U.S. Postal Service on Friday to charge "much more" to ship packages for Amazon picking another fight with an online retail giant he has criticized in the past. The president's tweet drew fresh attention to the fragile finances of the Postal Service at a time when tens of millions of parcels have just been shipped all over the country for the holiday season. The U.S. Postal Service, which runs at a big loss, is an independent agency within the federal government and does not receive tax dollars for operating expenses, according to its website. Package delivery has become an increasingly important part of its business as the Internet has led to a sharp decline in the amount of first-class letters. The president does not determine postal rates. They are set by the Postal Regulatory Commission, an independent government agency with commissioners selected by the president from both political parties. That panel raised prices on packages by almost 2 percent in November.

#### December 29

<u>Politico</u>: President Donald Trump on Friday called on the United States Postal Service to charge Amazon and others "much more" for shipping, adding that the government agency is becoming "dumber and poorer" by not doing so. "Why is the United States Post Office, which is losing many billions of dollars a year, while charging Amazon and others so little to deliver their packages, making Amazon richer and the Post Office dumber and poorer? Should be charging MUCH MORE!" the president wrote on Twitter. Amazon <u>announced Wednesday</u> that the company had a record-setting holiday season, though it is unclear whether that is what prompted the president's critique.

WallStreetJournal: President Donald Trump said Friday that the U.S. Postal Service should charge Amazon.com Inc. and other companies more to deliver their packages. Analysts have long estimated that the Postal Service is cheaper for Amazon to use than traditional carriers such as FedEx Corp. and United Parcel Service Inc. In 2013, Amazon started taking most of its packages directly to the Postal Service. By directly injecting its packages into the Postal Service's network, Amazon and other large shippers can avoid the costly last leg of delivery, while handling the sorting and transportation further upstream. But some critics suggest that the USPS is underpricing such services and that the e-commerce deliveries are being subsidized by the universal service obligation that the USPS must maintain under congressional edict. The universal service obligation is a collection of requirements that ensures all users receive a certain level of service at a reasonable price.

#### December 28

<u>FedWeek</u>: The IG at the Postal Service is asking for information about how well management tends to the roof over its head, which spans some 195 million square feet across 8,300 facilities. The Postal Service has launched the Roof Asset Management Program to reduce the number of roof replacements, prevent leaks, and to keep facilities dry, it said in a blog posting. "This included initial assessments of every Postal Service-owned building, establishing preventive maintenance schedules, and taking sustainable corrective actions to fix roofing problems," it said. The IG is seeking information on problems at postal facilities that have caused water to leak inside the building or resulted in other damage, what actions management has taken to reduce costs and extend the life expectancy of the roofs, and whether the preventive maintenance program is cost effective.

Linns: After a year of study, the United States Postal Service has announced what images and subject matter it will allow on computer-generated postage created by Stamps.com, Zazzle.com and other companies. Some mailers are not happy with the Postal Service's final proposal, printed in the Federal Register on Dec. 19. "A lump of coal," decried the Alliance of Nonprofit Mailers. The organization complained the new rules will allow commercial mailers to use almost any commercial display of their products but will discourage nonprofits from expressing their views in the form of postage. In a Dec. 19 report, the Alliance said, "Apparently, its attorneys are worried that some nonprofit subjects could be 'threats to the Postal Service brand,' and it would be 'impermissible viewpoint discrimination, which would endanger the whole program." The rules ban "any depiction of political, religious, violent or sexual content." Postal lawyers maintain that any provider of computer-generated postage must be careful to separate their products, called customized postage, from postage stamps.

#### December 27

Opposing Views: CNN Money reports that only about half of returned items go back on sale, based on estimates from Optoro, a tech company that handles retail returns. Not all of those items can be listed at full price. Optoro calculates that \$90 billion out of \$380 billion worth of annual item returns happen during the holidays. While that's good news for shipping companies, it can be quite costly for retailers. Shipping services aimed at retailers can benefit from the holiday return period. CNBC reports that 51 percent of holiday returns happen in January, but an additional 40 percent happen in the last few days of the year after Christmas. UPS processed about 5.8 million packages in the first week of January 2017 alone. Companies similar to UPS, such as FedEx and Amazon, are upping profits by offering physical drop-off locations in businesses such as supermarkets and dry cleaners. From there, the items can be sent to places where they're most likely to sell.

<u>AirCargo</u>: Describing e-commerce as a "revolution", Ken Allen, chief executive of DHL Express says that the Deutsche Post division is adapting its systems away from business-to-business (B2B), to adapt to this new consumer-driven environment. "With this

revolution that is going on at the moment in e-commerce, we've had more and more to adapt our systems away from business-to-business," he said during the announcement of a €335m investment to double DHL Express' Hong Kong Central Asia Hub. This shift – to take better account of e-commerce consumer demands – is representative of the explosive growth of e-commerce around the globe and recognition by the world's largest express company of where the future lies.

#### December 23

<u>FedNews</u>: A leading senator involved in the oversight of federal agency operations is questioning the role of the Postal Inspection Service in a television program whose episodes are based on mail fraud and other scams that its inspectors targeted. "I know postal inspectors do great and important work—but I'm not sure they need to be sponsoring a scripted TV drama when the agency is having such massive financial problems and closing post offices in Missouri and across the country," said Sen. Claire McCaskill of that state, the ranking Democrat on the Homeland Security and Governmental Affairs Committee. She asked USPS who approved involvement with the show; how much has been spent and how it was funded; what alternatives were considered toward the stated objective of improving the public's ability to detect and avoid such scams; and what metrics have been used to review the show's effectiveness in achieving that goal.

<u>PostalNews</u>: The U.S. Postal Service and the National Association of Postal Supervisors have been engaged in EAS Pay Consultations for FY2016-2019 since September 21, 2017. Under Title 39, USPS is supposed to provide NAPS with a final pay package within 90 days from the start of pay talks – that is, by today. However, in the spirit of cooperation and good faith, and in the best interest of NAPS members to attempt to achieve a fair and equitable pay agreement, NAPS and the Postal Service have agreed to extend pay talk consultations into January 2018.

TheMerkle: Apart from introducing autonomous vehicles for package delivery, FedEx now needs to further improve its IT infrastructure and offer better services to its customers. Moreover, as part of its innovation plan, FedEx will integrate blockchain technology. Carter stated that "blockchain represents a significant opportunity in the custodial control and chain of control for supply chain shipments" and that it can provide an enhancement of its current global settlement and payment systems. Therefore, beta testing and further research are key priorities for the company. FedEx is already a member of both the Blockchain in Transportation Alliance and the Blockchain Research Institute. It is expected that FedEx will begin introducing blockchain technology next year.

Post& Courier: Unless the U.S. Postal Service comes up with a turnaround plan to stop hemorrhaging money soon, taxpayers and consumers likely will be hit with a bailout bill of well in excess of \$50 billion. The Postal Service recently announced its fiscal year 2017 finances (its fiscal years end Sept. 30), and once again it revealed significant financial problems, including a \$2.7 billion net loss. While down from a \$5.6 billion net loss in FY 2016, this marked the 11th consecutive year that the Postal Service lost money. Losses from fiscal years 2007-17 amount to \$65.1 billion. Left unchecked, things will not get better soon. In its public 2018 Integrated Financial Plan, the Postal Service projects a 2018 net loss of \$5.2 billion. While volume is expected to decline by more than 4.5 billion pieces, compensation and benefits costs are projected to rise \$200 million.

#### December 22

<u>PostalNews</u>: Post office employees are in the middle of their busiest mailing week of the year, with many working overtime to help Santa get those packages delivered before the 25th.Normally, the Postal Service's Philadelphia plant processes an average of 405,000 letters and cards a day, but Monday and Tuesday of this week that average has skyrocketed to an estimated 2 million a day. Officials are anticipating that it will remain above average for the rest of the week.

# December 21

<u>Seattle Times</u>: Whether it is the retail workers pulling extra shifts, or the law-enforcement officers sacrificing time with their families, certain occupations bear the brunt of the madness that can be the holidays. But one occupation often goes unnoticed. With the rise of online shopping, delivery drivers are seeing increased hours and volume. And this year in particular, it has taken many of them by surprise. Thanks to online retailers such as Amazon and eBay, holiday shopping has swiftly shifted from fighting the masses on Black Friday to knocking out your Christmas list over a lunch break on Cyber Monday. And the unsung heroes of this change have become the men and women working for the carrier services.

<u>CNYCentral</u>: Last week the United States Postal Service (USPS) delivered more than 200 million packages nationwide. UPS expects to deliver about 40 million more packages this holiday season than they did last year. USPS, UPS, and FedEx combined are estimated to deliver about 60 million packages each day during the holidays. USPS drivers will be working through Christmas Eve on Sunday to make sure everything arrives on time.

MiamiHerald: Over the past few years, America's opioid epidemic has ballooned into one of the deadliest public health crises in the nation's history, in part because of a loophole in the global postal system that allows synthetic drugs to be ordered online and shipped directly to our doorsteps. Every day more than 1 million packages reach the United States through the global postal system without the important security information law enforcement agencies need to stop and inspect packages that could contain deadly drugs and other illicit items. Given that a recent Customs and Border Protection operation at the postal service's international hub at New York's John F. Kennedy Airport found 43 percent of foreign packages were noncompliant with U.S. regulations, the magnitude of this issue is especially troubling. Thanks to the dark web, this postal pipeline allows for easy access to an international supply of fentanyl, recently classified as a Schedule I Substance by the Drug Enforcement Agency. Mailed foreign fentanyl is often disguised as prescription medication or mixed with other drugs such as cocaine or heroin. Often, victims are completely unaware of the risks of what they're consuming. One commonsense step to cutting off the supply would be to require the use of advance electronic security data on all packages shipped to the United States from abroad so that law enforcement is able to use big data and algorithms to identify suspicious packages.

#### December 20

HuffPost: Delivery services like the US Postal Service, UPS, and FedEx are hiring seasonal workers at a frantic pace, and retail giants like Amazon, Walmart, and Target are using courier contractors and experimenting with their own Uber-like on-demand delivery models to get packages the last mile to our homes. And still, logistics giants like UPS can't keep up with the pace. The need to get our packages to us when we need—or want—them, has pushed the delivery model and its workers to the brink. There can be real dangers to delivering holiday joy: the US Department of Labor has found that temporary workers who are assigned to unfamiliar work with little training are several times more likely to get hurt on the job; Amazon delivery contractors have been sued for failing to pay the minimum wage; and drivers for Amazon's on-demand delivery service, Flex, report they can be deactivated simply because oversized packages won't fit in their cars. Even workers in good middle-class jobs at traditional delivery services are getting squeezed as their bosses compromise to stay on Amazon's good side. In 2014, a deal between Amazon and the US Postal Service for Sunday delivery had some workers reporting 60 hour weeks and few days off. To accommodate the increased workload, the USPS hired a new classification of workers who are paid less than permanent employees and are not eligible for the Postal Service's career track. GovExec: The holidays are the U.S. Postal Service's busiest time of the year; it expects to ship more than 850 million packages between Thanksgiving 2017 and New Year's Day 2018. The hustle is getting worse thanks to an online shopping season thats beginning increasingly earlier each year, according to the USPS. In 2012, the postal service expected to ship just 365 million packages during the holiday season. Despite the massive increase in holiday packages handled, the organization's workforce actually shrunk by 20,000 full-time workers since 2012 to a total of 508,000 in 2016. Even including seasonal contract workers—the USPS expected to hire 35,000-40,000 last year—the growth rate of number of packages far outpaces postal manpower. UPS: UPS which operates one of the largest commercial trucking fleets in the world, today announced it has placed a reservation for 125 of Tesla's new fully-electric Semi tractors. The new tractors will join UPS's extensive alternative fuel and advanced technology vehicle fleet, comprised of trucks and tractors propelled by electricity, natural gas, propane and other non-traditional fuels. Tesla's Semi tractor claims up to 500 miles range on a single charge, an unparalleled cabin experience for drivers, enhanced on-road safety and significantly reduced long-term cost of ownership. Safety features include: automatic emergency braking, adaptive cruise control, automated lane guidance, and brake-by-wire and steer-by-wire with redundancy. Tesla's driver-assistance features have been found by the U.S. government to reduce crash rates by 40%. Tesla expects to begin production of the vehicles in 2019 and UPS will be among the first companies to put the vehicles into use.

#### December 18

**Bloomberg:** It's that time of year again when online shopping surges and package deliveries soar -- along with costs and customer expectations. United Parcel Service Inc. and FedEx Corp. are emphasizing new strategies to ease the burden of rising e-commerce deliveries as the National Retail Federation predicts online sales will rise as much as 15 percent this holiday season. One big move: the couriers are expanding neighborhood locations where customers can pick up parcels or drop off returns in lieu of the usual front-porch option. While revenue is rising as UPS and FedEx deliver more packages by truck than ever, profit margins on those sales are shrinking. The calculation is an easy one for shipping companies, which save time and money by allowing drivers to drop off several packages at one spot. Consumers may be a harder sell. FedEx and UPS are both pitching the sites, which include drugstores and supermarkets, as a customer convenience that provides more flexibility and security.

<u>abc7</u>: This is the busiest week of the holiday season for the U.S. Postal Service. They expect to deliver nearly 200 million packages between now and Christmas Eve. The post office says nearly 200 billion packages are expected to be delivered between Monday and Christmas Eve.

<u>NextGov</u>: For a time, the U.S. Postal Service provided the best customer experience among all federal agencies, but internal assessments of customer satisfaction decreased since 2015, according to an audit by the Postal Service inspector general. The audit highlights stagnant customer satisfaction scores derived from the Postal Service's annual Delivery Survey, which appear to coincide with a diminished public perception of the agency's performance over the same time period. The drop comes even as Postal Service introduced new services like Informed Delivery, where customers can have images of their mail emailed to them. There's no singular fix, but the IG recommended several tweaks to the Postal Service's internal Delivery Survey that could boost the Postal Service's effectiveness.

<u>WashingtonPost</u>: The Trump administration's consideration of a wage freeze for federal employees is one piece of a renewed multifront Republican push to shrink those workers' pay, benefits and workforce. That effort has been around for years, but it now has an intellectual champion in the White House, and I don't mean President Trump. Confidential administration information released last week by Sen. Claire McCaskill (Mo.), the leading Democrat on the Senate Homeland Security and Governmental Affairs Committee, revealed an administration proposal to freeze federal salaries in fiscal 2019. That is the third piece in a pattern that includes Trump's 2018 budget proposal to cut the employer contribution to retirement benefits and the House Republican plan to have retirees pay more out of pocket for their health insurance.

WallStreetJournal: Package-delivery companies are bracing for their busiest week of the holiday season, and one with less room for error. FedEx Corp., United Parcel Service Inc. and the U.S. Postal Service expect to process a record number of packages this peak season, many of them e-commerce orders, and the week before Christmas is usually the heaviest period. The Postal Service, which makes more deliveries to homes than its two commercial rivals, already plans to exceed its initial forecast of nearly 850 million packages between Thanksgiving and New Year's Day, a Postal Service spokesman said. One added wrinkle this year: Christmas falls on a Monday, and not all packages are delivered on Sundays, putting even more pressure on shippers and the delivery companies alike.

#### December 16

<u>NewYorkTimes</u>: Holiday shoppers still looking for the best price when shipping their presents to loved ones shouldn't look past the US Postal Service. The USPS was the best choice for next-day delivery in 73 percent of the cases — and in 87 percent of the cases when needing just three-day delivery, according to a recent survey. When it comes to two-day delivery, FedEx was the least expensive 97 percent of the time, according to the survey by Consumer Reports, which looked at the USPS, FedEx and UPS.

Kimono Tribune: With an increase in early and online shopping for gifts, there is no longer a "busiest day" for holiday shipping. Instead, the Postal Service predicts the week of Dec. 18 through Dec. 24 to be the busiest mailing, shipping, and delivery week. During this week, nearly 3 billion pieces of first class mail, including greeting cards, will be processed and delivered. The Postal Service is projecting about 15 billion pieces of mail, including more than 850 million packages, will be delivered between Thanksgiving and New Year's Eve. Using correct addressing, packaging gifts well and mailing by recommended deadline dates can help ensure holiday wishes are received by loved-ones by Dec. 25. Visit the Postal Service Holiday Newsroom at <a href="https://www.usps.com/holidaynews">usps.com/holidaynews</a> for a full list of deadlines, pricing and shipping tips.

RegisterGuard: A calendar quirk this year and Amazon's seven-days-a-week delivery capability are building pressure on retailers to deliver. With Christmas on a Monday, most retailers have one less day to get packages delivered on time. Some are pushing up their deadlines for standard delivery or free shipping. And after promoting the convenience of buying online with store pickup, retailers are also trying to satisfy lots of customers coming in to collect their orders. It's especially important for retailers to hit the mark after some missteps earlier in the season, and because online leader Amazon has the advantage of delivering on Sundays. Research firm StellaService says Dec. 19 is the most popular cutoff date for retailers, two days earlier than last year. Amazon Prime members, meanwhile, get same-day delivery up until Dec. 24 in 8,000 cities. Retailers have been trying to speed up delivery as they try to replicate the service offered by Amazon. But UPS said this month that some package deliveries were being delayed because of a surge of orders from online shoppers after Thanksgiving. And Walmart said around the same time that more online buying created delays in some orders. Holiday spending is turning out to be stronger than expected, putting more pressure on stores to get it right.

#### December 14

**Post& Parcel:** Amazon is reportedly piloting a programme in Los Angeles and Orange County, California, offering two-day deliveries for all shippers, including those who are not Amazon customers. According to a report published yesterday (12 December) on the DC Velocity website, a source familiar with the project said that there is no known timeframe for completing the pilot, and it is not known if the coverage area might be expanded.

**Post& Parcel:** US retail giant Target has agreed to buy the same-day delivery platform Shipt for \$550 million in cash. Founded in 2014, Shipt is a membership-based grocery marketplace and same-day delivery platform. The service leverages a network of over 20,000 personal shoppers to fulfill orders from various retailers and deliver within hours in more than 72 markets. Target said that while Shipt will be a wholly owned Target subsidiary, it will continue to run its business independently. Shipt also plans to expand partnerships with other retailers on same-day, last-mile capabilities.

**RealClearMarkets:** Delivering mail to every address in the country, the USPS has a nearly daily impact on every American's life. With over \$121 billion in debt and unfunded liabilities, it could have an even larger impact in every American's life if it cannot begin cutting costs and paying its debt and outstanding liabilities. Otherwise the only alternative available would be another taxpayer-funded bailout of a financially mismanaged government agency. Benefit packages have become very precarious issues for employers in both the public and private sectors. The U.S. Postal Service is faced with this same dilemma when it comes to funding promised health benefits for their retirees. Today, the USPS has a \$79.1 billion unfunded liability for retirement benefits, which includes retiree pensions and health care benefits. Nearly a decade and a half ago, the USPS made a proposal that Congress adopted to shore up the funding of this benefit. However, the USPS made few of the required payments and are now saddled with an even larger liability.

#### December 13

**CPI**: CPI rises 0.4 percent as gas prices increase.. In November, the Consumer Price Index for All Urban Consumers increased 0.4 percent seasonally adjusted; rising 2.2 percent over the last 12 months, not seasonally adjusted. The index for all items less food and energy rose 0.1 percent in November (SA); up 1.7 percent over the year (NSA).

MercuryNews: If it seems like your online orders are arriving later than expected, you're not alone. An influx of online purchases – particularly during Cyber Monday, the busiest online shopping day in U.S. history – is testing the limits of carriers like UPS and FedEx, despite their heavy investment in new warehouses and seasonal employees. Americans spent a record \$6.59 billion online on Cyber Monday, according to data from Adobe Analytics. The number of late deliveries typically doubles during the holidays, leading to headaches for shoppers and retailers alike, according to data from LateShipment.com, an Orlando-based start-up that tracks shipment delays. UPS, the world's largest delivery company, warned last week that some deliveries would be delayed by one or two days, as staffers worked extended hours to manage the rush. UPS expects its holiday load to rise 5 percent, to 750 million packages, this holiday season, while FedEx says it's planning for up to 400 million parcels. And pilots who deliver for DHL and Amazon's Prime Air say they are already experiencing delays, which are likely to grow worse in coming weeks.

## December 12

<u>FedSmith</u>: Treasury Secretary Steve Mnuchin said in a letter to leaders in Congress on Monday that the federal government has taken another one of its "extraordinary measures" to avoid hitting the debt ceiling by stopping investment into two retirement funds for federal employees. The two funds are the Civil Service Retirement and Disability Fund (CSRDF) and the Postal Service Retiree Health Benefits Fund. Mnuchin said the government can no longer fully invest in these funds as a way to avoid exceeding the debt ceiling. He noted, however, that once the debt limit is raised, the funds will be made whole again, much along the lines of what is done

with the TSP's G Fund. The Congressional Budget Office warned in a recent report that the Treasury Department would likely have to soon begin using these "extraordinary measures" to avoid hitting the debt ceiling.

InsideSource: Unless the U.S. Postal Service comes up with a turnaround plan to stop hemorrhaging money soon, taxpayers and consumers likely will be hit with a bailout bill of well in excess of \$50 billion. Losses from fiscal years 2007-17 amount to \$65.1 billion. Left unchecked, things will not get better soon. In its public 2018 Integrated Financial Plan, the Postal Service projects a 2018 net loss of \$5.2 billion. While volume is expected to decline by more than 4.5 billion pieces, compensation and benefits costs are projected to rise \$200 million. For taxpayers and postal consumers, it is very disturbing that there is not a clear solution from the Postal Service to turn this around. Instead, there are also growing calls from the Postal Service for taxpayers to assume tens of billions of dollars in unfunded retiree health care costs. And, on December 1, the Postal Service cleared a key regulatory hurdle that would allow it to raise prices at twice the current rate of inflation for large product lines that not only have a clear monopoly but are unlikely to face any serious near-term competition. Many believe such price hikes exceeding the Consumer Price Index are not permitted under the 2006 Postal Accountability and Enhancement Act, the major law now governing the Postal Service. Congress and the public have until March 1 to weigh in with public comments.

Archive: The e-commerce juggernaut is proving to be quite challenging for shippers and suppliers this holiday season, with more than two weeks to go. This year's forecasted volume is about 5 percent more than 2016's holiday volume of more than 712 million packages, or about 40 million additional boxes to deliver. The update from UPS comes amid media reports about shipping delays for online orders from companies like Amazon and Walmart. The latest U.S. Labor Department reported last month that data on sector employment shows a continued shift in retail jobs from brick-and-mortar stores to online shopping. Retail industry employment declined by 18,000 jobs in October, while employment in the transportation and warehousing sector rose by 8,400 jobs from September. The rapid rise of e-commerce saw warehouse operators, parcel carriers and other transportation firms add workers last month to handle the increased flow of goods for the holiday shopping season. Courier and messenger firms added about 5,700 jobs in October, continuing a six-month expansion, as big employers like UPS and FedEx Corp. ramped up seasonal hiring. UPS hired 95,000 extra workers this season to deal with the holiday surge. Amazon hired 120,000. DHL said at a press conference last week that it will hire about 6,000 additional seasonal workers across its four business units in North America to support its contract logistics, fulfillment, freight transportation and express delivery operations in December.

#### December 11

NYTimes: And as the holiday shopping season approached, with online retail surging, the three giants of package delivery services — FedEx, United Parcel Service and the United States Postal Service — had to strategize on new ways to address people at home. That represents somewhat of a departure for the major parcel services, specifically FedEx and U.P.S., which have traditionally focused on their relationships with retailers and that business-to-business connection. The Postal Service has been the nation's mail carrier since 1792, yet only more recently have packages become an area of emphasis. But with e-commerce sales expected to eclipse \$100 billion this year for the first time, according to research by Adobe, somebody has to deliver all those goods to all those doorsteps. Today, there is more competition over the "last mile" — getting packages into the hands of consumers — than perhaps ever before. Companies like Uber, Postmates and LaserShip are trying their hand at on-demand and same-day deliveries, while Amazon may soon introduce its own delivery service, Seller Flex. This has prompted some couriers to rethink what they are offering and how their messages are reaching different customers.

## December 10

DailyProgress: Late, very late, or not at all — area residents say irregularities in mail delivery have made them fearful of missing bills and other important notices, as well as having Christmas packages stolen or misdelivered. The complaints echo those of others across the country and are part of a problem that's been investigated by federal officials on and off since 2015. Regional U.S. Postal Service officials said they are concerned with timely mail delivery and that increases in holiday mail, as well as staffing issues, have an impact on when mail arrives. Irregular and late mail deliveries have plagued the post office since at least 2012, according to the U.S. Government Accountability Office. That's the year that the postal service reduced costs by cutting 40,000 jobs and consolidating 141 mail processing facilities. In 2015, the postal service changed its delivery standards for first class, single-item mail, such as checks and letters, from one-day local delivery to between two and three days. In September, the postal service's Office of Inspector General investigated late delivery times at a California postal center. It noted an increase in e-commerce and package deliveries that keep mail carriers and assistant carriers out as late as 10 p.m. The office found a variety of factors behind the issues, including insufficient staffing and supervision and inaccurate route adjustments.

#### December 9

10tv: The Postal Service says you might be seeing delays in mail arrival because they are bombarded with packages. It's projecting a 10 percent increase in package volume this holiday season, compared to last year. That means mail carriers are working extra hours to deliver, and the mail might get there later than usual. The Postal Service says it hired season workers to deliver early mornings, at night, and on Sundays to help lighten the load.

## December 6

*INC:* Seeking to bolster the ailing U.S. Postal Service, federal regulators moved on Friday to allow bigger jumps to stamp prices beyond the rate of inflation, a move that could eventually add millions more dollars to companies' shipping rates from prescription drugs to magazine subscriptions. The Postal Regulatory Commission announced the decision as part of a much-anticipated, 10-year review of the Postal Service's stamp rates. It concluded that the post office's mounting red ink from declining mail volume and costs

from its pension and health care obligations hamper the ability to provide reliable mail and package service in the digital age. The commission's plan would give the Postal Service freedom to raise the price of its first-class stamp, now at 49 cents, by an additional 2 percent above the rate of inflation to help avoid bankruptcy and make needed multi-billion dollar investments, such as upgraded information technology and new delivery trucks. The post office could also tack on another 1 percent to the stamp price if it met certain standards for "operational efficiency" and quality service. In all, that could translate to an increase of up to a few cents each year, depending on rates of inflation, compared with roughly 1 cent per year previously. The new pricing system would be in place for at least the next five years. Businesses immediately voiced objections, calling the regulatory plan "disappointing."

WTOP: If you want to make sure your packages and holiday cards get to your loved ones in time for the holidays, you'll want to you check this list of shipping deadlines from the U.S. Postal Service, FedEx and UPS — and check it twice just to be sure. Christmas falls on a Monday this year, which means you may need to budget a bit more time for packages and cards to arrive. U.S. Postal Service holiday shipping deadlines. If you're sending cards, letters or packages, and you want them to arrive by Christmas, the Postal Service says you need to have them in the mail by:

- Dec. 14 for USPS Retail Ground, an economical choice for oversized packages and "less-than-urgent" delivery. Rates start at \$6.65
- Dec. 19 for First-Class Mail for holiday cards and lightweight packages (only weighing up to 13 ounces). Rates start at 49 cents
- Dec. 20 if you're shipping via Priority Mail, which promises delivery in 1-3 days depending on where your package is headed. Rates start at \$6.65
- Dec. 22 via Priority Mail Express Service, which guarantees overnight delivery to most locations. Rates start at \$23.75. There are different deadlines if you're shipping to Alaska or Hawaii or if you're shipping items overseas, so check out <a href="the Postal">the Postal</a> Service website for more details.

#### December 5

<u>USPS</u>: Postmaster General & CEO Megan J. Brennan statement on PRC 10-year rate review findings "The Postal Service agrees with the conclusion of the Postal Regulatory Commission that the current CPI price cap does not work and needs to be changed, because it does not enable us to achieve our mission of providing prompt, reliable, and efficient universal postal services to the American people in a financially sustainable manner. We are analyzing the Commission's alternative price cap proposal to determine the extent to which it advances this goal. We continue to believe that any price cap is unnecessary in the rapidly evolving postal marketplace, for which all of our customers have alternatives to using the mail. We seek a regulatory system that gives the Postal Service the flexibility to adopt the pricing innovations that will be critical to our ability to compete in the marketplace and to create business value for our customers both today and in the future, and we will continue to work with the Commission and our customers to ensure that the mail remains a valued means of commerce and communications."

<u>SupplyChainDive</u>: At first glance the USPS plan seems counterintuitive. Price increases haven't boosted USPS revenue sufficiently to make up for first-class mail's fall in volume as a result of email and other technology-based communication. Postmaster General Megan Brennan, for example, wants price caps dropped instead. Retirement benefits for former postal workers should be shifted to Medicare, she said, which would alleviate the revenue pinch. The USPS is succeeding at a variety of initiatives to modernize itself, including next day and Sunday deliveries, self-driving trucks and reduction goals for Scope emissions while adding sustainable procurement clauses to its best practices guide. But raising prices above inflation could backfire, especially given the UPS example — retailers shipping through UPS are doing their best to offset the peak season surcharges for consumers, so price hikes could drive consumers away from their local post offices.

Post& Parcel: UPS has deployed its first eBike in Fort Lauderdale, Florida. The electrically assisted tricycle supports Fort Lauderdale's Green Your Routine program, geared toward achieving the city's sustainability goals. UPS's cycle solutions will help reduce carbon emissions and noise, as well as improve traffic congestion and air quality in the city's downtown corridor. The eBike is equipped with battery-powered electric motors that makes it possible to cover longer distances than traditional bikes, carry substantial loads and navigate hills and other terrain. The eBike can be operated solely on battery power or pedal power. UPS will evaluate the reliability, design, integration into Fort Lauderdale's infrastructure and acceptance of the vehicle. The intent is to operate the eBike in Fort Lauderdale, as weather permits, on a regular route year-round.

## December 4

<u>FHTimes</u>: The U.S. Postal Service expects to deliver 10 percent more packages during the holiday period than last year. Between Thanksgiving and New Year's Day, the USPS expects to deliver 850 million packages and more than 15 billion pieces of mail. The post office expanded its Sunday delivery operations to locations with high package volume on Nov. 26. The Postal Service already delivers packages on Sundays in most major cities. With an increase in early and online shopping for gifts, there is no longer a "busiest day" for holiday shipping. Instead, the Postal Service's busiest time is now two weeks before Christmas.

## December 1

WallStreetJournal: The federal agency that oversees the U.S. Postal Service gave permission for the service to speed up its pricing increases over the next five years, an effort to shore up its finances as the amount of mail it delivers has plunged. The proposal by the Postal Regulatory Commission on Friday would allow the postal service to raise rates on "market-dominant" products, which includes first-class mail, by up to 2 percentage points above inflation each of those years. Some other categories like periodicals and catalogs would see rates increase by steeper amounts. The USPS could also raise rates by another percentage point annually based on meeting certain efficiency and service goals. "While the Postal Service has generally achieved short-term financial stability, both medium-term

and long-term financial stability measures have not been achieved," the commission's chairman, Robert Taub, said. The commission's proposal enters a 90-day comment period before being finalized.

<u>USNews&WorldReport</u>: Federal regulators are moving to give the U.S. Postal Service more freedom to raise stamp costs beyond the rate of inflation. The Postal Regulatory Commission announced its decision Friday. The commission's proposal would allow the beleaguered Postal Service to increase the price of a first-class stamp by an additional 2 percent above the rate of inflation to avoid bankruptcy and improve mail and package delivery. The current price is 49 cents, so the increase could mean an increase of up to a few cents each year, depending on rates of inflation. The prospect of higher prices irks mail-order industry, which could pay millions more for sending items like prescription drugs and magazines and pass costs onto consumers.

**New York Times:** More than 900 young immigrants applying for a renewal of temporary work permits had their applications rejected because of mail problems, a number far greater than immigration lawyers had thought. Citizenship and Immigration Services said it was in the process of sending letters to 900 people it had identified whose applications had arrived at the post office on time but not been officially received by the agency until after the deadline. The agency said there could be more people affected and that it was working with the U.S. Postal Service to determine how many applications were delayed by problems there. At least 4,000 renewals were rejected because they were late, according to a government official in an Oct. 18 deposition in a federal lawsuit over the cancellation of DACA.

<u>PostalNews</u>: USPS is expanding its test of Expected Delivery (ExD), a new feature that provides customers with a two-hour estimated delivery time frame for some packages. ExD is part of the Postal Service's efforts to grow its package business and help customers better plan for deliveries. USPS expanded this test Nov. 18 to offer ExD to a location in every district. A <u>list</u> of the participating ZIP Codes is available on LiteBlue. During the test, customers can use several methods to set their desired notification preferences and access the expected delivery information. Customers can sign up for texts or emails, track their package using usps.com, or create an Informed Delivery account. Packages must have sufficient address information to qualify for ExD. The following types of shipments are currently excluded from ExD because their features or operating procedures aren't conducive to two-hour delivery estimates: Priority Mail Express, Hold For Pickup, Sunday deliveries, international shipments and PO Box deliveries.

# **International News**

#### December 27

**GERMANY:** Post& Parcel: Deutsche Post DHL Group and its vehicle manufacturing subsidiary StreetScooter are working with the filtration specialist MANN+HUMMEL on "emission neutral" vehicles. As previously reported by Post& Parcel, Deutsche Post DHL recently announced that over 5,000 StreetScooter electric vehicles are now operating as part of its delivery fleet. Electric vehicles emit no carbon dioxide and nitrogen oxide, but they do still release particulate matter into the atmosphere due to tire, brake, and road abrasion. Now, however, Deutsche Post DHL and StreetScooter are tackling the issue of particulate emissions by teaming up with MANN+HUMMEL and fitting its filters on StreetScooter vehicles. According to Deutsche Post DHL: "Through use of the filter the overall balance of the vehicle with regard to the release of particulates is now neutral. The particulate filter retains as many dust particles as are produced by tire, brake and road abrasion." The filter modules will initially be fitted to five StreetScooter test vehicles which with immediate effect will enter service in five German city centres. The successful conclusion of the test could lead to the series implementation of the particulate filter.

**ROMANIA**: <u>Post&Parcel</u>: Romanian Post has launched a new service called "My AWB" which will enable users to register parcels that they want to send through an online system, rather than having to fill in hard-copy written forms. Users create an account, choose their preferred delivery service, and the app will give the price and generate an AWB barcode.

**UNITED KINGDOM:** *Post& Parcel*: The UK's Advertising Standards Authority (ASA) has confirmed to Post&Parcel today (21 December) that it has now launched a formal investigation into complaints about Amazon Prime's "one day delivery" claim. The general nature of complaints is that the claim is misleading because, in the complainant's experience, deliveries have taken longer than one day. Sources at ASA informed Post&Parcel that the authority has received around 200 complaints – but pointed out that the majority of complaints followed widespread media coverage of this story over the weekend.

#### December 26

**SRI LANKA:** *DailyMirror:* Speaking to the Daily Mirror Co-convener of the Postal Front H.K. Kariyawasam said due to the 06/2016 circular issued by the Public Administration Ministry, the Postal Department is severely inconvenienced in several aspects including recruitment of its staff. He said the circular was creating a lot of problems in the postal services as the Postal Department is a closed department. He added that the dispute in recruitment procedure had impacted in the services provided by the Postal Department causing long delays. Mr. Kariyawasam said that the postal workers would resort to islandwide work stoppage if the government failed to address the matter before Thursday (28).

## December 22

**CANADA:** <u>Infosurhoy</u>: The federal Liberals will miss a second self-imposed deadline for deciding whether to restore door-to-door mail delivery to thousands of Canadians, says a government spokeswoman. The most recent delay is frustrating the union representing postal workers as issues surrounding the future of Canada Post are figuring prominently in negotiations to reach new contracts with the Crown corporation. The Liberals had said they expected to release a decision on door-to-door delivery before the end of 2017 as part of a wide-ranging review of the mandate of Canada Post.

#### December 21

**BRAZIL:** <u>CAPA</u>: Azul signed (20-Dec-2017) a non binding MoU with Brazil's postal service (Correios) for the creation of an integrated logistics solutions company, aiming to support the expansion of logistics services and products to locations not yet attended, in addition to bringing more efficiency, cost reduction and revenue gain for both companies. The new company will be 50.01% owned by Azul SA and 49.99% owned by the postal service. The company will handle around 100,000 tons of cargo.

# December 20

AUSTRALIA: Post&Parcel: Australia Post has finished constructing the country's largest single-roof solar panel installation at its Sydney Parcel Facility in Chullora. The AU\$3m (US\$2.3m) project spans 11,000m2 (1,020ft2) and is set to save the post more than AU\$800,000 (US\$600,000) in energy costs every year. Covering the equivalent area of nine Olympic swimming pools, the 2.1MW installation will save 2,200 tons of carbon emissions from the environment every year, the same as taking 468 cars off the road.

ROMANIA: Romania-Insider: The Romanian Post launched yesterday the MyAWB online service, which allows customers to register online the parcels they want to send instead of filling in hand-written forms. Users will have to follow several steps to use the service. They first need to create an account and choose the delivery service. The app will then tell the price and will generate an AWB barcode. Clients still need to go to a postal unit with the parcel or letter and the AWB generated by the app, but they won't have to waste any time there by filling in the shipping form.

# December 18

**CANADA:** *HuffingtonPost*: If this holiday season reminds us of nothing else, it is that Canada Post, often written off as a vestige of the past, has managed to remain relevant. While traditional Christmas card volumes have declined <u>precipitously</u>, e-commerce deliveries in the form of parcels and packets have skyrocketed. Since 2011 Canada Post's parcel delivery revenues have grown by over \$500 million and its volumes today make it the country's <u>no. 1 parcel company</u>, ahead of rivals UPS and FedEx. While many postal administrations across the globe have had difficulty coping with technological advances in the fast-changing sector — the U.S. Postal

Service, for example, lost a whopping \$2.7 billion in fiscal 2017 — Canada Post has managed to turn a profit in 14 out of the last 16 quarters.

INTERNATIONAL: Menafn: The global postal automation system market, by geography, has been segmented into North America, Europe, Asia Pacific and Rest of the World. As compared to other regions, the postal automation system market in North America is expected to witness significant growth and hold the largest market share during the forecast period. U.S and Canada are anticipated to drive the growth of postal automation system market. In addition to this, the region also has a well-established infrastructure which allows higher penetration of devices and ultimately provides better connectivity. This is expected to be a major factor for the growth of postal automation system market. In the global, Asia Pacific is anticipated to witness relatively faster adoption and is expected to grow at the highest CAGR during the forecast period as compared to other regions. Within Asia Pacific, postal automation system market is projected to contribute faster to the growth of revenue backed by increasing demand for automation and growing innovations in countries such as Japan, China and India.

**IRAN:** *FinancialTribune*: Iran Space Research Center has developed a drone that can be used for postal delivery. The center unveiled the drone during the 18th Research, Technology Achievements and Techmart Exhibition held last week in Tehran, Mehr News Agency reported. According to the ISRC, the aerial vehicle can carry a payload of up to five kilograms and travel at a speed of 50 kilometers per hour at an altitude of 600 meters. While technologically interesting, drone delivery services would not be possible in the near future at least in Tehran because flying drones were banned in the city in February following two instances when two unmanned aerial vehicles flew over restricted airspace in downtown Tehran and were brought down by anti-aircraft fire.

#### December 14

**CROTIA:** <u>BusinessMarket</u>: Pitney Bowes Inc. a global technology company that provides innovative products and solutions to power commerce, today announced that the Croatian Post's new state-of-the-art sorting centers in Zagreb and Split leverage its latest mixed mail sortation solutions, both hardware and software, to automate the sortation process for as many as 2.5 million postal items per day.

**SCOTLAND:** *Post& Parcel*: A report from Consumer Advice Scotland has urged the public and private sectors to work together on ways to reduce parcel surcharging by creating a less costly operating environment in the north and west of Scotland. There are concerns that people living in the less accessible parts of Scotland – namely the Highlands and Islands – are paying a "postcode penalty" because they are often asked to pay additional charges to have goods delivered. The <u>report</u>, which was published earlier this month, argued that "finding a way to make the Highlands and Islands a less expensive place to deliver parcels is in the interest of consumers, retailers and delivery operators". Importantly, the report also looked at possible solutions to the problem and found that "there was support for exploring the potential for a Pick-Up and Drop-Off network in the Scottish areas affected, making use of existing infrastructure and networks, including public and community resources".

#### December 13

**CANADA:** <u>NationNews</u>: Members of the public are asked to note that Canada has discontinued the use of the registered mail service offered by the Universal Postal Union. However, customers have the option of using the Express Mail service which provides tracking and signature upon receipt.

**NETHERLANDS:** *Post& Parcel:* PostNL wins trade union approval on labor agreement. PostNL and trade unions have reached agreements for a new PostNL collective labor agreement (CLA) and a Saturday deliverer CLA. In addition to a 3% salary increase, it has been agreed that mobility within PostNL will be further stimulated. For Saturday deliverers, the same duration and salary increase have been agreed. The CLA for PostNL applies to almost all of the PostNL employees in parcels, mail and head office. Postal deliverers have a separate CLA.

**NEW ZEALAND:** *Post&Parcel:* New Zealand Post (NZ Post) is set to process an anticipated 41.5 million letters and parcels over the December festive period, including 20% more parcels compared with the same period in 2016. The postal service company had employed an extra 600 staff, 200 vans and 13 line-haul trucks, in addition to operating an extra 737 aircraft to meet the heightened volumes of mail being processed.

**PORTUGAL:** <u>The Portugal News</u>: Portuguese postal workers are going on strike on the Thursday and Friday before Christmas to demand the renationalisation of the company and better working conditions, one of the unions that called the industrial action said. The Socialist-backed union (SINDETELCO), has handed in a strike notice for 21 and 22 December for the "Reversal of the privatisation of CTT (Portuguese Post Office), defending jobs and better working conditions. A Communist backed union has also called for a strike the same two last working days before Christmas for the same reasons.

#### December 12

**BANGLADESH:** *TheDailyStar*: The postal department today inaugurated a digital wallet service named 'Daak Taka' which will help its clients to open an account only depositing Tk 2. The initiative will help to tap the unbanked people of the grassroot level with banking channel, the postal department sources said. Reveling the plan of turning the post offices into fully digitised by 2021, State Minister for Posts and Telecommunications Tarana Halim said they have set a goal of bringing three crore people in banking system within 2018 through the "Daak Taka". Currently, there are more than 8,500 post offices across the country.

**UNITED KINGDOM**: <u>AiCio</u>: UK postal service provider Royal Mail and the Communications Workers Union (CWU) both said they were encouraged by progress being made during mediation talks between the sides. The Royal Mail and the CWU have been in a dispute over the company's proposal to close its defined benefit pension plan on March 31, 2018. Royal Mail had proposed offering a choice between a new defined benefit scheme, and a defined contribution scheme. The union balked over what it said was a plan in which workers would simply cash out when they retire. The union, which has threatened to strike over the planned pension changes,

has proposed an alternative single plan to replace the closing defined benefit plan, and the current defined contribution plan, which it said was providing inadequate outcomes for its members upon retirement. It is the union's position that there should be a single pension plan that offers a 'wage in retirement.'

## December 11

**HUNGARY:** *BBJ*: With Christmas closing in, postal workers are becoming overburdened. The labor shortage is leading to situations where temporary workers can earn more than long-term employees. But skilled workers are proving hard to attract everywhere, even from non-EU countries. Meanwhile, Magyar Posta, the national postal service, is struggling with a severe labor shortage, with wages offered to temporary workers sometimes higher than those of full-time postal employees, who have not received a pay raise in years. The Christmas period will likely bring 20-30% more shipments than last year, HVG reports. The postal union is currently negotiating a salary rise, which is expected to be 12%. The results of the negotiations will be made public on December 14. In the meantime, government efforts to bring in workers from non-EU countries do not seem to be bearing fruit. By the end of September, barely more than 10,700 foreign citizens from outside the EU had received a work permit in Hungary, which is well below the 59,000 quota set for this year.

**UNITED KINGDOM:** *TheMirror*: Drivers are being asked to deliver up to 200 parcels a day for Amazon while earning less than the minimum wage, a Sunday Mirror investigation reveals today. Many routinely exceed the legal maximum shift of 11 hours and finish their days dead on their feet. Yet they have so little time for food or toilet stops they snatch hurried meals on the run and urinate into plastic bottles they keep in their vans. They say they often break speed limits to meet targets that take no account of delays such as ice, traffic jams or road closures. Many claim they are employed in a way that means they have no rights to holiday or sickness pay.

#### December 7

NIGERIA: <u>DailyTrust</u>: The Federal Government has approved a partial sale of the Nigerian Postal Service (NIPOST), the Minister of Communications Adebayo Shittu has said. Shittu, who this disclosed this Thursday in Abuja while inaugurating the steering committee and the project delivery team for the postal sector reforms and restructuring of/modernization of NIPOST, said the National Council of Privatisation under the chairmanship of Vice President Yemi Osinbajo had set up a steering committee to ensure NIPOST was ''partially'' commercialized.He, however, disclosed that some of NIPOST's services would still reflect policies and economic intervention from government. To ensure that NIPOST is modernized and restructured, the minister said the agency would cease to be a regulator of postal industry especially after the bill of the Nigerian Postal Commission has passed and assented to.

#### December 6

**QATAR:** <u>PenninsulaQatar</u>: Qatar Postal Services Company (Qatar Post) has announced the launch of a new promotional bundle for postal box subscription and renewal with Home Delivery Service (HDS). Qatar Postal Services Company (Qatar Post) has announced the launch of a new promotional bundle for postal box subscription and renewal with Home Delivery Service (HDS). HDS, which runs from Saturday to Thursday every week, offers customers the opportunity of enjoying the convenience of having mails from their PO Box, delivered straight to the front door at different times weekly, based on the type of subscription.

**ROMANIA:** <u>SeeNews</u>: Romanian state-controlled postal operator Posta Romana said on Wednesday it has increased its car park by 180 vehicles following a 12.5 million lei (\$3.2 million/ 2.7 million euro) investment. By the end of the year, the fleet of the national postal service operator will exceed 1000 vehicles, it said in a press release. Posta Romana bought the vehicles from Renault Commercial Roumanie and Ford Romania. The vehicles will serve all areas of the country and will help reduce delivery times for all types of parcels. The car fleet of the company will increase by 100 small-capacity vans and 80 medium-capacity vans, all equipped with diesel engines, the EURO 6 pollution standard.

**UNITED KINGDOM:** *SocialistWorker:* Postal workers' union leaders looked set to announce at least parts of a possible agreement with Royal Mail bosses on Tuesday of this week. The CWU union has been in negotiation with bosses in a dispute over pensions, pay and conditions. CWU leaders were set to brief members of the union's postal executive committee and senior officials on the recommendations of an external mediator on Tuesday. The union called off a two-day strike in October after the high court granted bosses an injunction and ordered them into mediation with bosses. It followed a massive vote for strikes by CWU members—89 percent on a 73 percent turnout. The union waged a campaign that involved thousands of postal workers in mass gate meetings. The mediator released her report outlining recommendations to end the dispute to the CWU last Thursday.

## December 5

INTERNATIONAL: <u>Post&Parcel</u>: The "IPC Global Postal Industry Report – 2017 Key Findings" has indicated that despite ongoing mail volume decline, industry revenue and profitability remain "robust" as posts continue to focus on growth, diversification and efficiency. The Key Findings demonstrate "continued though slightly slowing growth for the postal industry". In a statement sent to Post&Parcel today, the International Post Corporation (IPC) said: "After reporting 2% revenue growth in 2016, the industry recorded 1.4% growth in the first half of 2017. The performance gap between business units widened in H1 2017 compared to H1 2016: on average, mail revenue declined 1.3% while parcels revenue increased by 11.4%. Operating margins remain solid for both divisions." The IPC also noted that a steady growth in cross-border online retail has continued to boost demand for parcel delivery services worldwide.

**INTERNATIONAL:** *Post& Parcel*: In July and August 2017, software supplier Escher Group conducted an online survey across 25 countries to gain key insights into the current and future landscape of the postal industry. The results highlighted key shifts in the priorities of posts, including the fact that 59% of postal operators foresee a growth in their physical presence; 77% of mail carriers are

now equipped with a mobile device; 95% of posts either offer or plan to deliver a customer app; 89% of respondents currently offer or plan to offer digital mail products; 14% of posts have a successful loyalty program; and 39% plan to implement a loyalty scheme. **UNITED KINGDOM:** SocialistWorker: Postal workers' union leaders looked set to announce at least parts of a possible agreement with Royal Mail bosses on Tuesday of this week. The CWU union has been in negotiation with bosses in a dispute over pensions, pay and conditions. CWU leaders were set to brief members of the union's postal executive committee and senior officials on the recommendations of an external mediator on Tuesday. The union called off a two-day strike in October after the high court granted bosses an injunction and ordered them into mediation with bosses. It followed a massive vote for strikes by CWU members—89 percent on a 73 percent turnout. The union waged a campaign that involved thousands of postal workers in mass gate meetings.

#### December 1

**SINGAPORE:** <u>Business Times</u>: SINGAPORE Post Limited is revising its rates for the international delivery of small packets from Jan 2 next year, following new rates set by a United Nations agency. Also from the same date, it will stop accepting delivery of international small packets by ship as several postal organisations have ceased to accept such forms of conveyance, it said. Demand for such a service is also low, with most senders choosing to use airmail. International postal settlement rates - the amount that SingPost compensates other postal organisations for mail delivery in their country - are being raised on Jan 1 next year. These rates are set every four years by the Universal Postal Union (UPU), a UN agency that sets the rules for international mail exchanges.

# Postal/Industry News

#### December 28

Office of the Inspector General: Internal Controls Over Local Purchases and Payments – Summerland Key, FL, Post Office The Postal Service prefers to pay for its goods and services through its electronic purchasing system. When that is not possible, authorized users may use assigned credit cards. A recent OIG audit was conducted to determine whether internal controls were in place and effective for making local purchases and payments at the Summerland Key, FL, Post Office. Read our results and recommendations in the full audit report: https://go.usa.gov/xnmca

**Industry Alert: January 2018 Price Change Information** The January 2018 Price Change goes into effect on January 21, 2018. New postage statements associated with the January 2018 price change are available on Postal Explorer<sup>®</sup> at <u>pe.usps.com</u>. The Postage Statement information is in the January 2018 Price Change "Documents" link.

Postage Statement Usage - As of January 21, 2018, new postage statements are required for:

- First-Class Mail<sup>®</sup>, PS Form 3600 FCM
- Periodicals, PS Form 3541
- · International Mail. PS Form 3700

New prices are required for all mailings, no exception. Customers are required to transition to the new postage statements beginning January 21, 2018. Customers who cannot make the change to the new postage statements by January 21, 2018, must apply for an exception through their local BMEU office following the instructions for the January 2018 Price Change Postage Statement Exception Process posted on PostalPro athttps://postalpro.usps.gov/Releases/Jan2018Release/psexceptioninstructions.

**Plant-Verified Drop Shipment Mailings** In conjunction with the upcoming price change occurring on January 21, 2018, plant-verified drop shipment (PVDS) mailings will be verified and accepted as follows:

Current Prices — PVDS mailings verified and paid for before January 21, 2018, using the current prices, will be accepted at destination entry postal facilities through Monday, February 5, 2018, when presented using eInduction® or eVS® processes or with appropriate verification and payment documentation (PS Form 8125 or PS Form 8017).

New Prices — PVDS mailings may be verified and paid for beginning January 7, 2018, using the new prices, provided the shipments, when presented using eInduction or eVS processes, or with appropriate verification and payment documentation (PS Form 8125 or PS Form 8017), are not deposited at destination entry postal facilities before January 21, 2018.

- For mailings with electronic documentation, mailers must enter a Mail Arrival Date that is on or after January 21, 2018.
- For mailings with hard copy postage statements, USPS® acceptance employees must enter a Mail Arrival Date that is on or after January 21, 2018.

Questions concerning the exception process can be directed to the HQMailEntry mailbox.

#### December 21

Industry Alert: Issue Impacting Failed Mail.dat® Submissions On December 20, 2017 an issue was identified which impacts Mail.dat failed file submissions. When a file fails to upload, mailers receive an error description which assists in identifying the reason for the failure. Due to a table constraint, the error description is not displaying. Specifically, users are not able to view the validation description of errors for their Mail.dat job submissions in the Validation/Job History tab/view of the Mail.dat client. A Data Repair (DR) will be performed tonight December 21, 2017 at approximately 5:00 PM CT to resolve the issue and all past error messages will display once the Data Repair is complete. The *PostalOne!*® system will remain available during this DR. If you need immediate resolution contact the *PostalOne!* Helpdesk.

Office of the Inspector General: <u>USPS Mail Carrier Sentenced to More Than Eight Years in Stolen Identity Tax Refund</u> Scheme

Office of the Inspector General: <u>Utilization of Automated Tools to Improve Compliance Activities</u> Many compliance-related activities are manually recorded by Postal Service employees using paper checklists. The Capital Metro Area in particular has relied on existing manual processes even as requirements for compliance checks have increased. In our latest report, OIG auditors assessed whether efficiency and accuracy can be improved if USPS uses more automated tools in their compliance recording process. Read our full report and recommendations here: <a href="https://go.usa.gov/xnPj9">https://go.usa.gov/xnPj9</a>

## December 20

**Industry Alert:** Latest Issue of Mail Spoken Here

Office of the Inspector General: Fiscal Year 2017 Statistical Tests The U.S. Postal Service utilizes probability models, such as the Origin-Destination Information System to determine mail flow and revenue. These statistical tests allow USPS to determine how efficient the mail system is operating. Management observes and reviews these tests to ensure that data collection technicians employ proper procedures and that the data is accurate. Our new audit report reviewed whether USPS conducted those tests according to established policies and procedures. Read the full report here: <a href="https://go.usa.gov/xnUBA">https://go.usa.gov/xnUBA</a>

### December 19

Industry Alert: Package Delivery Information Now Available in Informed Delivery® Email Notifications - The many businesses and organizations that rely on the mail to satisfy their customers have something new to be excited about during this holiday season. USPS® recently introduced an enhancement to the free feature, Informed Delivery – a new innovation from the Postal Service

that provides participating users with exterior images of their household's letter-size mailings before they arrive. Informed Delivery users now have an additional way to view and manage their package deliveries, as well. Users who opt-in to receive email notifications, can now view the expected delivery date of their packages below their letter-size mailpiece images in their daily digest emails. Users are also able to track package deliveries, leave delivery instructions, and schedule redelivery from the Informed Delivery mobile app or online dashboard. Gary Reblin, the Postal Service's Vice President Product Innovation, explains, "Our customers can now use their Informed Delivery emails to see the delivery status of their incoming packages and when they're scheduled to arrive." He continued, "It's another example of how Informed Delivery is meeting customers' needs." Informed Delivery benefits the entire household, ensuring everyone is able to preview their daily mail delivery, as well as manage package delivery. Millions of consumers are already using Informed Delivery, and you can sign up at <u>informeddelivery.usps.com</u>. Businesses that want to learn more about the benefits of the feature and conducting interactive campaigns should visit the <u>Informed Delivery for Business Mailers website</u>.

#### **December 18**

Industry Alert: The Postal Service is Ready for the Busiest Mailing and Shipping Week of the Year. Are You? This week is expected to be the busiest week of the holiday mailing and shipping season for the Postal Service. The organization expects to process and deliver nearly 3 billion pieces of First-Class Mail, including greeting cards this week alone. The Postal Service also expects to deliver nearly 200 million packages each week from Dec. 11-24. The Postal Service anticipates delivering more than 15 billion total pieces of mail this holiday season. Between Thanksgiving and New Year's Day, USPS expects to deliver more than 850 million packages, an increase of more than 10 percent compared to the same period last year. The Postal Service already delivers packages on Sundays in most major cities and, to handle the surge in volume, the organization is expanding its Sunday delivery operations in select high package volume locations during the holiday season. USPS expects to deliver more than 6 million packages each Sunday in December. Mail carriers will also deliver Priority Mail Express packages on Christmas Day in *select* locations.

#### December 16

Industry Alert: New Postage Statements Effective January 21, 2018 New postage statements associated with the January 2018 price change are available on *Postal Explorer* at <u>pe.usps.com</u>. The Postage Statement information is in the January 2018 Price Change "Documents" link. As of January 21, 2018, the new January 2018 postage statements are required for First-Class Mail and First-Class Package Service (PS Form 3600-FCM), Periodicals (PS Form 3541), and International Mail (PS Form 3700). When mailing other products, you may continue to use the January 2017 statements (USPS Marketing Mail PS Form 3602-R, Nonprofit USPS Marketing Mail PS Form 3602-N, and Package Services and Parcel Select PS Form 3605-R) with the new prices until the next price change. Please Note: All January 2017 facsimile postage statements are required to incorporate all changes to the Mailer and Mailing sections by January 21, 2018.

**Industry Alert:** *Attention PostalOne! and Business Customer Gateway Users* The network connectivity issue #2914564 that impacted access to several USPS applications including the Business Customer Gateway, *PostalOne!* and FAST is **resolved.** 

# December 15

Industry Alert: The USPS is changing the method for measuring compliance for meeting the Move Update requirement to a Census based approach. Move Update will move to an Automated Assessment Process beginning with March 11th, 2018 assessments using February 2018 data. Today the USPS measures compliance at an individual mailing level using a MERLIN machine. In the future, the USPS will use scans from Mail Processing Equipment to determine addresses for First-Class and USPS Marketing Mail, letters and flats, have been updated within 95 days of the mailing date, and compliance will be measured across a calendar month. This new process will result in several benefits including enhanced mailing visibility and improved mail quality metrics over all mailings within a calendar month, rather than sampling at an individual mailing level. Results of this census verification are displayed on the Electronic Verification tab of the Mailer Scorecard. Testing of the data has been completed by an Industry task team and the reports have been declared ready for use. Mailers should begin reviewing the results to ensure compliance with the Move Update standards are met. Business Mailer Support is hosting weekly Move Update calls for mailers who have questions or want additional information. The webinars will be held at 2:00 PM Eastern each Wednesday beginning June 7, 2017 and will continue through the February 2018 implementation date. Move Update Webinars - New address link!!! Date/Time: Wednesdays; 2:00 - 3:00 PM Eastern Log on: https://uspsmeetings.webex.com/uspsmeetings/j.php?MTID=m83f589e9e33af65aaf951ac514b79511 Conference Code: 563 772 2130 Dial In: 1-855-860-7461 For further information regarding the Move Update Census Method please refer to Publication 6850 found on PostalPro at:http://postalpro.usps.com/node/581 or the Proposed Federal Register Notice found: http://postalpro.usps.com/node/3111

Office of the Inspector General: International Exchange Offices Our latest Audit Report evaluates the acceptance of inbound international mail at U.S. Postal Service International Exchange Offices (IEOs). Inbound international mail and typically arrives at one of the five Postal Service International Service Centers, but can also go to one of the 22 IEO's that accept international mail according to Postal policy. Read our results and recommendations in the full Audit Report: https://go.usa.gov/xnngf

## December 13

Office of the Inspector General: <u>Delivering the Best Customer Experience</u> Enhancements to the U.S. Postal Service's survey on customer satisfaction with delivery could increase the accuracy of the survey and provide more actionable customer feedback, according to a new white paper by the Postal Service Office of Inspector General (OIG). The OIG examined the survey results,

interviewed field management, and enlisted the support of a survey methodology expert. The report suggests new ways to improve the delivery experience for customers. Read Delivering the Best Customer Experience: https://go.usa.gov/xnn3t

#### **December 8**

Industry Alert: Attention Business Customer Gateway and PostalOne!® Users PostalOne! Release 46.0.2.3 will deploy on Sunday, December 10, 2017 from 4:00 AM to 8:00 AM CT. This will be a rolling deployment and the PostalOne! system will remain available. Enterprise Payment System (EPS) Release 3.1.1 will deploy on Sunday, December 10, 2017 from 4:00 AM to 8:00 AM CT. Customers may experience connectivity issues during this timeframe.

Industry Alert: December 11 – Postal Service Begins Removing Schedules from IMb Tracing Legacy System On Monday, December 11, 2017, the Postal Service will begin removing schedules from the IMb Tracing® legacy system for all mailers who have not requested additional time to transition to IV due to extenuating circumstances. This is the next major step towards the sunset of the legacy system that is scheduled to be retired at the end of December 2017. Mailers who have not migrated to IV and have not requested additional time due to extenuating circumstances will stop receiving IMb Tracing data on December 12, 2017.

Mailers who have extenuating circumstances preventing them from migrating to IV must email the IV Help Desk immediately at <a href="InformedVisibility@usps.gov">InformedVisibility@usps.gov</a> to determine a mitigation plan for keeping their IMb Tracing subscription active during the retirement stage.

Email must include:

- o Company Name
- o Detailed explanation of extenuating circumstance
- o List of CRIDs, MIDs, and routing codes currently tracked in IMb Tracing
- o Planned Transition to IV Date in the month of December 2017

The Postal Service has scheduled a series of Onboarding Webinars for the week of December 11, 2017 to help mailers who have yet to migrate to IV. The sessions are scheduled each day from 11:30 AM ET to 12:30 PM ET Monday through Friday. Monday's webinar will demonstrate how to activate an IV account, navigate through the IV application, set up and manage data feeds and servers, perform one-time queries, manage data delegations, and perform other functionalities. The webinars held Tuesday through Friday will feature question and answer sessions with the Mail Tracking & Reporting team.

Mailers who need assistance with their migration process should attend Monday's webinar and a Question & Answer session. If you are interested in attending any of the scheduled sessions, please see the attached document titled, "Informed Visibility Onboarding and Question & Answer Schedule," for the dial-in information for each session.

Date and Time:	Topic:
Monday, 12/11 @11:30 AM ET	Demonstration of the onboarding process and high level navigation through the IV application
Tuesday, 12/12 @11:30 AM ET	Question & Answer Session
Wednesday, 12/13 @11:30 AM ET	Question & Answer Session
Thursday, 12/14 @11:30 AM ET	Question & Answer Session
Friday, 12/15 @11:30 AM ET	Question & Answer Session

For additional information about IV and the migration, the following items may be of particular interest: <u>IV Migration Overview</u> and other available technical resources found on the IV PostalPro webpage.

Remember, the IV Help Desk is ready and prepared to assist mailers with the transition process. Please contact the IV Help Desk at 1-800-238-3150, Option #2, orInformedVisibility@usps.gov.

# December 7

**Industry Alert:** *Move Update.* The USPS is changing the method for measuring compliance for meeting the Move Update requirement to a Census based approach. Move Update will move to an Automated Assessment Process beginning with March 11<sup>th</sup>,

2018 assessments using February 2018 data. Today the USPS measures compliance at an individual mailing level using a MERLIN machine. In the future, the USPS will use scans from Mail Processing Equipment to determine addresses for First-Class and USPS Marketing Mail, letters and flats, have been updated within 95 days of the mailing date, and compliance will be measured across a calendar month. This new process will result in several benefits including enhanced mailing visibility and improved mail quality metrics over all mailings within a calendar month, rather than sampling at an individual mailing level. Results of this census verification are displayed on the Electronic Verification tab of the Mailer Scorecard. Testing of the data has been completed by an Industry task team and the reports have been declared ready for use. While the date for implementation of this new method is pending, mailers should begin reviewing the results to ensure compliance with the Move Update standards are met. Business Mailer Support is hosting weekly Move Update calls for mailers who have questions or want additional information. The webinars will be held at 2:00 PM Eastern each Wednesday beginning June 7, 2017 and will continue through the February 2018 implementation date.

Move Update Webinars Date/Time: Wednesdays; 2:00 – 3:00 PM Eastern Log

on: https://uspsmeetings.webex.com/uspsmeetings/j.php?MTID=mb196393db64c9ea238020f81860fa9ad Conference Code: 563 772 2130 Dial In: 1-855-860-7461

For further information regarding the Move Update Census Method please refer to Publication 6850 found on PostalPro at:http://postalpro.usps.com/node/581 or the Proposed Federal Register Notice found: http://postalpro.usps.com/node/3111

#### December 6

## **Federal Register:**

Postal Regulatory Commission - Notices: New Postal Products, 57626 [2017–26299], [PDF]

**Postal Service -** Notices: Product Changes: Priority Mail Express, Priority Mail, and First-Class Package Service Negotiated Service Agreement, 57626–57627 [2017–26213], [PDF]; Priority Mail Negotiated Service Agreement, 57627 [2017–26212], [PDF]

#### December 5

## **Federal Register:**

Postal Regulatory Commission - New Postal Products, 57491–57492 [2017–26198] [PDF]

**Postal Service -** Rules: International Mailing Services: Mailing Services Product and Price Changes , 57356–57362 [2017–26143] [PDF]; Notices: Product Changes: Priority Mail and First-Class Package Service Negotiated Service Agreement , 57492 [2017–26119], [PDF]; Priority Mail Negotiated Service Agreement , 57492 [2017–26118] [PDF]

### December 4

Office of the Inspector General: Beam Bros. Trucking, Inc., Beam Bros. Holding Company and Executives Sentenced on Federal Conspiracy Charges: Four Corporate Officers Admitted to Conspiring to Violate Federal Highway Safety Regulations

Former Postal Employee Sentenced to Prison and Ordered to Pay Almost \$1.0 Million for Fraudulently Obtaining Workers'

Compensation Benefits

# Federal Register:

Postal Regulatory Commission - New Postal Products, 57304 [2017–26075] [PDF]

**Postal Service -** Product Changes: Parcel Select Negotiated Service Agreement, 57304 [2017–26048] [PDF] Priority Mail Negotiated Service Agreement, 57304 [2017–26047] [PDF]

#### December 1

Office of the Inspector General: Fall 2017 Semiannual Report to Congress We have just released our Fall Semiannual Report to Congress (SARC). In the six month reporting period from April 1 to September 30, 2017, we issued 105 audit reports, management advisories, PARIS risk models, and white papers, and the U.S. Postal Service has accepted 83 percent of our recommendations. We completed 1,584 investigations that led to 430 arrests and over \$68 million in fines, restitutions, and recoveries, \$21 million of which were turned over to the Postal Service. Interested in seeing what else we have been up to? Check out our Fall 2017 SARC:https://go.usa.gov/xn9d9

Industry Alert: Postal Regulatory Commission 10-Year Rate Review Findings Statement from Postmaster General & CEO Megan J. Brennan "The Postal Service agrees with the conclusion of the Postal Regulatory Commission that the current CPI price cap does not work and needs to be changed, because it does not enable us to achieve our mission of providing prompt, reliable, and efficient universal postal services to the American people in a financially sustainable manner. We are analyzing the Commission's alternative price cap proposal to determine the extent to which it advances this goal. We continue to believe that any price cap is unnecessary in the rapidly evolving postal marketplace, for which all of our customers have alternatives to using the mail. We seek a regulatory system that gives the Postal Service the flexibility to adopt the pricing innovations that will be critical to our ability to compete in the marketplace and to create business value for our customers both today and in the future, and we will continue to work with the Commission and our customers to ensure that the mail remains a valued means of commerce and communications."

**Industry Alert:** PostalOne! Release 46.0.2.2 will deploy on Sunday, December 3, 2017 from 4:00 AM to 9:00 AM CT. The PostalOne! system will remain available. Release notes are posted on PostalPro at: https://postalpro.usps.com/PostalOneR46.0.2.2ReleaseChange1.0.

Federal Register: Postal Regulatory Commission - New Postal Products, 57012–57013 [2017–25852] [PDF]