

Association for Postal Commerce

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Postal News from January 2010:

January 31, 2010

According to the <u>Financial Times</u>, "Adam Crozier leaves his post at Royal Mail with industry opinion divided on his tenure. Hired by former Royal Mail chairman Allan Leighton in 2003 after a high profile spell as chief executive of the English Football Association, Crozier helped the postal operator go from losing £1m a day to making £1m a day. But industry observers said that his schmoozing skills and slickness rubbed some up the wrong way."

The <u>Lafayette Journal Courier</u> has reported that "The U.S. Postal Service says possible consolidations of mail processing operations in Lafayette won't affect service, but members of the local postal workers union disagree. Pending the outcome of a two-month study, some operations at the Lafayette Processing and Distribution Facility on Indiana 26 East could be sent to Indianapolis, the U.S. Postal Service announced Jan. 22."

NEMS.com has reported that "The public comment period on a proposed postal consolidation ended this week, and a decision is likely within three months. The U.S. Postal Service wants to move Tupelo's outgoing mail processing operations to Memphis, a plan officials say could save the federal agency \$181,000 annually. Six postal employees would be directly affected by the move. But postal workers here oppose the plan and have the support of Tupelo's Mayor and City Council, the Lee County Board of Supervisors, both Mississippi senators and U.S. Rep. Travis Childers, D-Miss."

EThe <u>Gloucester County Times</u> has noted that "The [NJ] state Treasury Department last year told libraries and the postal service they would not be getting printed copies of New Jersey 1040 tax booklets to distribute to residents. Instead, residents must request paper forms from the state directly, print out forms available on the department's website or file their tax returns electronically." [EdNote: So much for local post offices acting as important conduits for the provision of other government services.]

From <u>Hellmail</u>:

Posten Norden Signs Outsourcing Agreement With Logica Lithuanian Post - Savings To Pay Workers 10 Percent More

The <u>Daily Record</u> has reported that "U.S. Postal Service officials have not yet decided whether to close the West Jersey Processing and Distribution Center in the Whippany section of the township, but a report released last week saying the Postal Service has overpaid its workers' pension fund by \$75 billion since 1972 should cause the Postal

Service to reconsider consolidating facilities, a postal workers union president said. The office that prepared the report disagreed."

The <u>Whittier Daily News</u> has reported that "In an era when many of us struggle to cope with a constant barrage of e-mails, texts and instant messages, it's easy to forget the household mailbox still plays a significant role in people's lives. And for homeless people with limited access to computers and no permanent residences, the inability to receive mail can interrupt the flow of vital social services. For almost a quarter of a century, however, St. Matthias Episcopal Church in Uptown has worked to be a communications lifeline for the area's homeless and serves as a permanent address where they can receive their mail."

The Economic Times has a story on "Jyotiraditya Scindia: Man who revived the Indian Postal system."

January 30, 2010

The <u>Business Standard</u> has reported that "The total number of mails delivered by the postal department in 2008-09 has seen an increase after a gap of five years, primarily on the back of a rise in the delivery of business mails. There has been a steady fall in the delivery of mails in recent years due to competition from private players."

The latest edition of the National Association of Postal Supervisors Legislative/Regulatory Update is available here: <u>http://tinyurl.com/napslegreg012910</u>

Taking Control of the Board of Governors," the <u>Courier, Express, and Postal Observer</u> has determined that "both of these proposed appointments meet all other requirerments for the Board of Governors. They clearly have substantial experience in "experience in the field of public service, law or accounting." In making these appointments, the Obama administration is taking seriously the federal government's role as the primary creditor and only shareholder of the Postal Service. These appointments are not much different than what happened at GM, Chrysler, and AIG when the Federal Government traded loans for shares and made appointments to the boards of these companies. Their appointments also suggest the administration may require changes in the size of the existing board in order to speed changes at the Postal Service, as a condition for changing the formula used to calculate the pension and retiree health care benefits of the Postal Service."

President Barack Obama has announced his intent to nominate the following individuals to key administration posts:

- Paul Steven Miller, Nominee for Governor, Board of Governors of the United States • Postal Service. Paul Steven Miller is the Henry M. Jackson Professor of Law at the University of Washington School of Law who is an expert in workplace and employment law. He has spent his career moving between academia, public service, and law practice. Most recently, Professor Miller spent the first nine months of the Obama Administration as a Special Assistant to the President in The White House. Prior to joining the University of Washington faculty in 2004, Professor Miller had been one of the longest serving commissioners of the U.S. Equal Employment Opportunity Commission (EEOC), the federal agency which enforces employment discrimination laws. He has also served in The White House as Liaison to the Disability Community and as Deputy Director of the U.S. Office of Consumer Affairs during the Clinton Administration. Earlier in his career, Professor Miller was the Director of Litigation for the Western Law Center for Disability Rights and a lawyer at the Los Angeles law firm of Manatt Phelps and Phillips. He is a graduate of the University of Pennsylvania, cum laude, and the Harvard Law School.
- Dennis J. Toner, Nominee for Governor, Board of Governors of the United States Postal Service. Dennis J. Toner has directed policy, public and political affairs for over 30 years for

then-Senator and now-Vice President Biden. He most recently served as Finance Director for Biden for President and Citizens for Biden. He spent the 30 years prior to that working for then-Senator Biden in his Senate office. He last held the position of Deputy Chief of Staff for the Senator from 1995 to 2005. He has also previously launched his own business, Horizon Advisors, which provides guidance and advice to private clients and non-profit organizations. He received his B.A. from the University of Delaware.

DMM Advisory: Intelligent Mail Services Update.

- ACS[™] Information Response Time Mailers who submit Full-Service mailings containing Intelligent Mail Range (IMR) records with a low number of pieces in the range are experiencing issues with receiving ACS information. We are working towards a resolution. The *PostalOne!* [®] Helpdesk will contact affected mailers to provide assistance. Please continue to report all issues in receiving ACS data to the *PostalOne!* Helpdesk at 1-800-522-9085.
- **REMINDER*****PostalOne!* **Maintenance:** The reporting database used for the Mail Quality/MicroStrategy reports will be upgraded on January 31, 2010 during the *PostalOne!* maintenance window (4:00 a.m. 8:00 a.m. CST). This only impacts access to the MicroStrategy reports listed on the <u>Business Customer Gateway</u> for external users under Mailing Reports (*PostalOne!*). Once users are logged on, follow these links: *Mail Quality Reports>Shared Reports>Mail Quality Reporting>Mail Data Quality*. Access to these reports will not be available during the maintenance window. There will be no additional outage/impact to *PostalOne!* during this period. The changes are being made to address performance issues reported by mailers with the Mail Data Quality reports. The changes are being implemented to limit the number of detailed records loaded to 1,000 for a specific error type and job to improve performance and usability of these reports. Summary information will continue to report the total number of errors by error type and job. Once these changes are implemented, we will reload the reporting data for the Mail Data Quality.
- FAST[®] MAINTENANCE SUNDAY, FEBRUARY 7, 2010 (4 A.M. CT 8 A.M. CT). The Facility Access and Shipment Tracking (FAST) production and Test Environment for Mailers (TEM) environments are scheduled for maintenance on Sunday, February 7, 2010 from 4:00 a.m. CT through 8:00 a.m. CT. There will not be an outage; however, users may experience intermittent connectivity issues while server upgrades are performed. FAST Web Services messages sent during this scheduled maintenance window will be queued and processed after maintenance is completed. We apologize for any inconvenience you may experience.
- STIDs on RIBBS[®]: The presentation entitled <u>IMb[™] Services: Service Type Identifiers</u> (STIDs) prepared by MTAC Workgroup 124 has been posted on <u>RIBBS>Intelligent Mail</u> <u>Services>Education</u>.

Multichannel Merchant has reported that "What's the status of the much-hyped five-day mail delivery proposal raised a year ago by Postmaster General John E. Potter? The Postal Regulatory Commission is waiting for the U.S. Postal Service to request an advisory opinion, says PRC chairman Ruth Goldway."

According to <u>Crawdaddy Magazine</u>, "The United States Postal Service is pulling a Starbucks, and randomly venturing into music distribution. In what is a pretty smart marketing move just in time for Valentine's Day, and Black History Month, for just \$10.99 (plus \$3.75 for shipping), the USPS will send a compilation of love songs written by Ella Fitzgerald, called Love Letters from Ella, in a decorative envelope to anyone in your life who could use a little lovin' from far away. In a sorta related note, the USPS released a Ella Fitzgerald commemorative stamp in 2007. "

January 29, 2010

PostCom Bulletin is available online. In this issue:

- The USPS this week published an advanced copy of its proposed rule which would change the processing of hard-copy postage statements accompanying commercial and permit imprint mailings at PostalOne! facilities. Under the USPS' proposal, the USPS no longer would complete the "USPS Use Only" section of, or round date, hard-copy postage statements (including duplicates) accompanying mailings accepted at PostalOne! facilities.
- According to Rag Content, "it appears, through default, the OIG has taken over the creative thinking of the Postal Service. Instead of looking at the problems in a new way, the USPS management goes right to cost cutting cut workhours, cut service, and cut delivery days. It continues to make mail less attractive through regulations and passing costs onto customers."
- According to the Courier, Express, and Postal Observer, the Postal Regulatory Commission has shown an interest in the potential for a mini rate case. The PRC has chosen to enter uncharted territory, examination of the Postal Service's financial and business plans by asking whether the Postal Service generated sufficient revenue in 2009 "to assure adequate revenues, including retained earnings, to maintain financial stability."If the PRC find the Postal Service to not be in compliance with any of the ratemaking rules included in 39 U.S.C. § 3622, can it force the Postal Service to file an exigent rate case to put it in compliance?
- Deadtree Edition has told its readers that "it may be time to bid farewell to the tabloid-sized American magazine. A variety of forces have been conspiring for several decades to put oversized magazines onto the endangered-species list. Now the U.S. Postal Service appears ready to put the tabloid magazine (and catalog) out of existence."
- The Courier, Express, and Postal Observer wants to know if a request by President Obama for a freeze on discretionary spending affect the Postal Service."
- The postal sector, a key economic "motor", will help to spur recovery in Haiti in the wake of a catastrophic earthquake earlier this month, a senior United Nations official said.
- The USPS is gearing up for handling the 2010 Census mailings, which begin in February and represent \$200 million in revenue to the USPS. "When the Census Bureau next month enters the first of its six separate 2010 Census mailings," the USPS told its employees on its Lite Blue web site, "it will mark the beginning of the largest mailing effort by any agency within a 90-day period." The mailings will continue through mid-April and will also amount to the "single largest use of Intelligent Mail barcodes on any mailing to date: nearly 447 million mailpieces," the USPS said.
- USPS Clarifies UAA Mail. USPS Publishes Updated Move Update Rules. USPS reaps revenue from expanded PO Box Services. USPS testifies on sustainability progress. USPS revises treatment of undeliverable items. USPS to employees: do not obliterate barcodes. Study says customers remember companies with exceptional service. Quad Graphics to acquire Worldcolor. PRC accepts USPS' Parcel Select periodical reporting proposal. Anthrax attacks reunsolved. Nantage of postal rates.
- Updates on postal matters published in the Federal Register.
- An update on DMM Advisory notices issued by the U.S. Postal Service.
- An update on business before the Postal Regulatory Commission.
- 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? <u>Send us</u> 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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The National League of Postmasters of the United States takes Postmasters working condition issues to Congress.

- The letter to Postmaster General Potter informing him of the League actions. <u>Click To View Letter</u>
- Oversight and Government Reform Committee of the U.S. House of Representatives letter. <u>Click To View</u>
 <u>Letter</u>
- U.S. Senate Committee on Homeland Security and Governmental Affairs letter. <u>Click To View Letter</u>
- House and Senate Committees List receiving Postmaster letter and White Page. Click To View the List
- Action Alert Abuse of Postmasters & Inefficient and Ineffective Post Office Management Practices <u>Click</u> <u>To View Alert</u>
- LEAGUE White Paper Postmaster Hours and Post Office Management Practices Click To View
- Please click to view the Action Alert <u>Retiree Health Benefit (pdf)</u>

From <u>PR Newswire</u>: "The U.S. Postal Service today filed an update with the Postal Regulatory Commission (PRC) indicating that 162 offices remain under review for possible consolidation under the station and branch consolidation initiative. That is six fewer from the last update in December. No final decisions have been made regarding specific office consolidations."

The Guardian has reported that "ITV's new chief executive, Adam Crozier, could walk away from his old job at the head of Royal Mail with £2m in bonuses."

The <u>Financial Times</u> has noted that "Deutsche Post's dominant position in the German postal market was dealt a blow yesterday when a court rejected minimum-wage rules, which rivals claimed protected the partly state-owned group."

The <u>Fort Wayne Journal Gazette</u> has reported that "A U.S. Postal Service employee was arrested Thursday after federal investigators said she forged hospital excuse slips to justify paid sick days she received."

The Business Times has reported that "Singapore Post Ltd (SingPost) said its third-quarter profit increased 20.6 per cent year-on-year to \$44.1 million as a result of improving economy and government relief measures. Consolidation of its wholly-owned mail logistics subsidiary Quantium Solutions also helped."

Africa News has reported that "Malawi Posts Corporation (MPC) has to revisit its operations in order to meet the Information, Communication and Technology (ICT) needs of the current generation."

According to the Journal News, "Whether it was the "Nights in Rodanthe" DVD — starring your neighbor Richard Gere — or a mail-ordered delicacy famously associated with the rich, if it caught postal carrier Tensy May Smith's eye, it became hers, police said Thursday. Credit, debit and gift cards, dozens of Netflix DVDs — even a \$250 jar of caviar — were among the items authorities said they seized after they ended up in Smith's Croton-on-Hudson home instead of the mailboxes of some of the 422 customers she served on her delivery route. On Monday, authorities launched a sting operation, planting items in Smith's mailbag with the hopes she would pilfer them. Instead, Ryan said, another item valued at more than \$70,000, which he declined to identify, was stolen."

The <u>Postalnewsblog</u> has reported that "Mintel Comperemedia, a service that provides direct marketing competitive intelligence, reports that in Q4 2009—for the first time in three years—credit card direct mail volume increased from the previous quarter. With a 47% increase in direct mail compared to Q3 2009, credit card issuers demonstrate increased confidence in the economy and willingness to extend more consumer credit. However, last year's direct mail volume still pales in comparison with recent years. Mintel Comperemedia reports that the total number of credit card offers sent in 2009 falls 66% behind the number sent in 2008. Pre-recession (2004-2007), card mailings topped seven billion annually; last year, they didn't even reach two billion."

The <u>Dallas Morning News</u> has reported that "The U.S. Postal Service next week will begin moving its postmarking unit from the Dallas main post office west of downtown to a newer plant in Coppell."

The <u>Wall Street Journal</u> has reported that "Dutch postal and express company TNT NV and its labor unions Friday said they have reached an agreement in principle on a new collective labor agreement for its postal workers that will result in the loss of 3,500 jobs."

From the Federal Register:

Postal Regulatory Commission RULES New Postal Products , 4693–4698 [2010–1804] [TEXT] [PDF] Postal Service PROPOSED RULES Express Mail Open and Distribute and Priority Mail Open and Distribute Changes and Updates , 4741–4742 [2010–1867] [TEXT] [PDF]

Hellmail has reported that "Postcomm, the UK postal regulator, today published its proposed work plan for the next two years ahead of a new regulatory framework to be introduced in April 2012. The work plan is subject to consultation but would appear to signal, in the short term at least, that regulatory powers are to remain with Postcomm rather than being transferred to Ofcom as suggested in the Richard Hooper report."

Deadtree Edition has noted that "More than six months ago, published reports warned about a problem with Intelligent Mail barcodes — the practice of letter carriers crossing out the barcode on misaddressed mail. Today, the Postal Service finally got around to correcting the problem."

At the Postal Regulatory Commission: The Postal Service's 2009 Annual Report has been posted on the PRC web site.

From <u>Hellmail</u>: "Review of Royal Mail Financial Report and 2009 Reforms - Part 2"

According to the <u>Daily Mail</u>, "The departure of Adam Crozier from Royal Mail leaves a gaping hole at the top of the state-owned postal group at a key point in the organisation's history. But he has been a divisive figure at Royal Mail. While he has made the business profitable, he has also enjoyed huge financial rewards at the taxpayer-funded organisation."

January 28, 2010

EXAMPLE has reported that "Franco-Ontarians frustrated by Canada Post. The mayor of a southern Ontario town says Canada Post needs to consistently recognize his community's name in both official languages."

The <u>ATV Network</u> has reported that "ITV Plc today announced that Adam Crozier will be joining the company, which owns the regional ITV companies across Britain and Wales, as Chief Executive. Adam, who is currently Chief Executive of Royal Mail, will take up his role at the commercial channel 3 broadcaster later this year." See also <u>Business Week</u> and <u>The Guardian</u> and <u>Bloomberg</u>.

Bloomberg has reported that "TNT NV and other Deutsche Post AG competitors won a German high court ruling toppling a government regulation that extended a minimum-wage deal for some postal workers to the entire industry. The Federal Administrative Court in Leipzig, Germany, backed two lower court rulings won by BdKEP, an industry group comprised of Deutsche Post competitors including TNT and PIN AG. The judges rejected an appeal brought by the German government."

MLive has reported that "Residents, officials worry about losing the convenience of a Downtown Bay City Post Office."

According to <u>UNI Global Union</u>, "The Swiss Government Committee on Transport and Telecommunications of the National Council (CTT-N) has not accepted the draft postal legislation . The committee has said it needs to clarify the unresolved issues on the financing of universal service. The Swiss Communication Workers Union now expects that the committee will refuse outright the full liberalization of the postal market. The Union says that all the overseas examples show that complete liberalization is reflected in increased prices for most users, either by lower benefits. The options are unacceptable, as is the idea of a tax to finance a USO. Further the idea of collecting a fee from competitors of the Post is simply unenforceable."

According to the <u>Pocono Record</u>, "Pocono Business Journal, an award-winning voice of the local business community based in East Stroudsburg, will end its monthly publication with the February issue. Publisher/Editor-in-Chief Marynell Strunk cited the current economic climate, particularly the declining advertising revenue, followed by **rising postal rates** and the shrinking print industry as the reasons for the paper's end, to officially take place on Feb. 5."

The <u>Bucks County Courier Times</u> has reported that "Haitian-born mailman Pierre Laguerre is most worried about his 81-year-old mother, who has been without her heart medication since an earthquake destroyed her house. "Significant progress" has been made toward an arrangement that would let a Haitian-born mailman accept donations that residents along his longtime Solebury route collected for his family, but the U.S. Postal Service says he can't keep. A spokeswoman for Bucks County Congressman Patrick Murphy, D-8, on Wednesday declined to provide details about the arrangement in the works, but said that Murphy will continue fighting to ensure that Pierre Laguerre can help his surviving relatives."

You might want to take a look at the video posted by <u>FedNewsTonight</u> on the sole source contracts issued by Robert Bernstock.

The <u>Temple Daily Telegram</u> has reported that "Mail is supposed to be delivered despite snow, rain, heat or gloom of night. But even when the elements weren't to blame, the Temple post office threw away and delayed mail delivery, federal investigators have found. Though mail disruption can be a felony, criminal charges were not filed. Disciplinary or administrative actions were entrusted to the U.S. Postal Service's Rio Grande District in San Antonio. Business owners who had deliverable mail trashed are still chafed because they were not reimbursed their postage or production costs. Employees who watched mail get tossed wonder why violators appeared to suffer no consequences."

The Monitor has reported that "Posta Uganda is struggling to stay in business amid fears of growing debt worsened by a recent cash scandal involving the alleged misuse of \$1.2 million (about Shs2.3b), it emerged yesterday."

Even Park Forest has reported that "Because a viable postal sector is critical to any nation's economic stability, Chief Postal Inspector William R. Gilligan, Jr. is sending U.S. Postal Inspectors to Haiti to conduct security assessments and help prepare for the restoration of mail service to the earthquake-ravaged country. "Members of the Universal Postal Union all are playing a role in rebuilding the Haitian Postal System," says Chief Gilligan, who also serves as chairman of the Universal Postal Union's Postal Security Action Group. "It is tremendous to see the world community come together and respond to the crisis in Haiti. We are proud to stand with our domestic and international partners to do our part to help rebuild the Haitian Postal System."

USAToday has reported that "Netflix wants video streaming to become more prevalent because the company's postal expenses will fall as it mails out fewer DVDs to subscribers. Netflix estimates it will spend about \$600 million on postage this year, with the annual cost rising to \$800 million within the next few years. By holding down it mailing expenses. Netflix home to be able to grand more menous expension library."

its mailing expenses, Netflix hopes to be able to spend more money expanding its streaming library."

From the Federal Register:

Postal Regulatory Commission NOTICES

New Postal Products , 4593–4594 [2010–1752] [TEXT] [PDF] Postal Service NOTICES Meetings; Sunshine Act , 4594 [2010–1858] [TEXT] [PDF]

The <u>Macon Telegraph</u> has reported that "Residents protest closing of post office. The closure will place an unnecessary hardship on many people forced to drive the three miles to the full-service post office at 904 Russell Parkway through heavy traffic. Many are not able to drive."

EAccording to the <u>Harvard Neiman Journalism Lab</u>, "for those who think government support of journalism is just something they do in Europe — or that talk of state subsidies are new to this particular downturn — a new report from USC Annenberg is a useful corrective. The study, set to be unveiled today, carefully illustrates that the separation of news and state has never been particularly strong — that for most of American history, journalism has been heavily subsidized by federal and state government. The **public support**, **including** tax breaks, **postal subsidies** and public notice requirements have meant billions for the industry."

The <u>Financial Times</u> has reported that "Washington's subsidy of the US news media has sunk to dangerously low levels over the past four decades and could erode further, threatening traditional newspaper and magazine publishing. According to a new study released on Thursday by researchers at the University of Southern California Annenberg School for Communication & Journalism, key areas including postal rate discounts and tax breaks on circulation expenditures have fallen to new lows, wiping away billions of dollars in annual funding."

Hellmail has reported that:

Billy Hayes, leader of the Communication Workers Union told a packed House of Commons Committee Room yesterday that unless the Government acts quickly to underwrite the pension deficit, scheduled repayments could seriously damage the Royal Mail's future operations. There has been growing concern that the deficit, rumoured to have grown to £10bn, would leave the Royal Mail strapped for cash at a time when it needed to automate mail processing on a large scale. The stalled Postal Services Bill, now on ice after the government failed to find the right buyer, has left the Royal Mail with the mammoth task of clearing the deficit and rivals furious that much-needed regulatory reform appears to have been shelved.

Post Denmark is to close its letter sorting centre in Midtsjællands and transfer operations to Copenhagen. The company blamed a decline in letter volumes.

At the Postal Regulatory Commission. <u>Docket No. RM2010-4</u>: The Commission has adopted periodic reporting rules under the authority of section 204(b) of the Postal Accountability and Enhancement Act (PAEA). See 39 U.S.C. 3652(a)(1) and (e). Those rules require the Postal Service to obtain advance approval in a notice and comment proceeding under 5 U.S.C. 553 whenever it seeks to change the analytical principles that it applies in preparing the periodic reports to the Commission required by section 3652 of the PAEA. On October 23, 2009, the Postal Service filed a petition to initiate an informal rulemaking to consider changes in the analytical methods approved for use in its periodic reports to the Commission.1 The Commission accepts all of the proposed changes.

January 27, 2010



Nashville Postal Forum April 11-14, 2010

Great News....The National Postal Forum workshop schedule is now available online! This is the premier mailing industry event. Do not miss this opportunity! To start planning your 2010 National Postal Forum experience

-- click the links below. Don't forget to register....The early bird registration ends February 12th. <u>View The 2010</u> <u>Nashville Session Matrix Register Now for the 2010 National Postal Forum</u>

From <u>Business Wire</u>: "SkyPostal Networks, Inc., the largest private postal network in Latin America, today announced it has been awarded the contract valued at US\$2 million to deliver mail originated by the National Postal Service of France, La Poste. Mail originating from France, United Kingdom and La Poste's Office of Exchange in the United States will be transported and delivered by SkyPostal into Latin America and Caribbean (LAC)."

According to <u>Autoblog</u>, "A month ago Rep. Jose E. Serrano (D-NY) introduced a bill in the U.S. house of representatives that if passed would provide up to \$2 billion to the United States Postal Service (USPS) for vehicle electrification. The money would be used to convert up to 15 percent of the agency's 142,000 vehicle fleet to plug-in capability. Not satisfied Serrano's proposal, Rep. Gerald E. Connolly (D-VA) has put together a bill that would require 75 percent of the USPS fleet or 109,500 units to be switched over to electric vehicles. The turnover would happen over a period of five years. The Serrano bill, H.R. 4399, would establish five pilot programs of 4,000 vehicles each."

At the Postal Regulatory Commission: The public is invited to attend the open session of the monthly meeting of the Postal Regulatory Commission at 11:00 a.m., February 3, 2010, at Commission Headquarters, 901 New York Ave., NW, Suite 200.

MATTERS TO BE CONSIDERED IN PUBLIC SESSION:

1. Report on Congressional Committee staff briefings. 2. Report on international activities. 3. Status of Annual Compliance Review. 4. Status of other active cases. 5. Update on recent activities of Joint Periodicals Task Force and status of anticipated report to the Congress pursuant to section 708 of the Postal Accountability and Enhancement Act of 2006. 6. Status of preliminary assessment of social benefits of the mail. 7. Report on professional papers prepared by Commission staff members for submission to technical conferences. 8. Discussion of correspondence received from the National Governors Association. 9. Report on additions to the Commission staff and report on audio streaming and podcasting options for Commission meetings and report on audio streaming polices at other Federal agencies. **PORTIONS CLOSED TO THE PUBLIC:**

11. Discussion of pending litigation (USPS v. PRC). 12. Personnel matters – alignment of Commission offices with operational goals.

The <u>Hickory Record</u> has reported that "The United States Postal Service began considering shifting some operations from the Hickory Processing and Distribution Facility to the Greensboro plant in August. After five months of study, deliberation and town hall meetings, the USPS has decided to make the move. The Hickory location is primarily a sorting hub and is not to be confused with the downtown Hickory Post Office. The downtown location will remain open for business."

According to the <u>Courier, Express, and Postal Observer</u>, "The Globe and Mail today has an article that indicates that Canadian mailers are taking advantage of lower Postal Service rates to mail letters and parcels across Canada. "For a small but growing number of this country's eBay vendors, the cheapest path across Canada lies through the heart of America. Canadians are showing up in increasing numbers at U.S. Postal Service outlets with parcels and letters destined for other provinces – and, in at least one case, a neighbouring town." Later in the article, it is clear why this is happening, the rates for the Postal Service's money-losing Media Mail service is so low, it is worth it for

Canadians to drive to the United States to ship books, records, CD's and DVD's."

DMM Advisory: Intelligent Mail Services Update.

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to the MicroStrategy reports listed on the <u>Business Customer Gateway</u> for external users under Mailing Reports (*PostalOne!*). Once users are logged on, follow these links: *Mail Quality Reports>Shared Reports>Mail Quality Reporting>Mail Data Quality*. Access to these reports will not be available during the maintenance window. There will be no additional outage/impact to *PostalOne!* during this period.

 STIDs on RIBBS[®]: The presentation entitled <u>IMb[™] Services: Service Type Identifiers</u> (STIDs) prepared by MTAC Workgroup 124 has been posted on <u>RIBBS>Intelligent Mail</u> <u>Services>Education</u>.

DMM Advisory: Folded Self-Mailers — Changing Standards. Working in collaboration with the mailing industry, the Postal ServiceTM conducted a three-year study of non-enveloped letter-style mailpieces processed on automated letter sorting equipment. The study included mailpieces designed to test specifications and also included examples of folded self-mailers produced by the mailing industry. A thorough analysis of the data collected during testing is currently under review. Based on findings of the analysis, changes to the characteristics of folded self-mailers mailed at automation or machinable letter prices may be developed. We will publish any proposed new standards in the *Federal Register* and encourage mail owners, mail preparers, and other interested parties to provide feedback during the comment period that will follow. Atter comments on the proposal are received and evaluated, a final rule will be published in the *Federal Register* and subsequently in the *Postal Bulletin*. An effective date that provides time for production planning will be included in the final rule. Until the final rule is published, the current folded self-mailer requirements apply as described in <u>DMM 201.3.14</u>. Stay tuned for further information on the self-mailer study and possible proposed requirements.

The <u>Englewood Herald</u> has reported that "The city, businesses, local organizations, elected officials and residents have sent letters and e-mails to the United States Postal Service asking it to reconsider its offer to sell the post office at 3300 S. Broadway. Ralph Vincent's face reflected a mix of surprise and anger when he was told the U.S. Postal Service is considering plans to sell the post office."

The <u>Virginia Gazette</u> has reported that "Neither snow, nor rain, nor heat, nor gloom of night stays these couriers from the swift completion of their appointed rounds. In four recent issues the Gazette has published 23 reader comments, overwhelmingly critical, about postal delivery. Several themes have emerged. n Magazines show up out of sequence or not at all. n Promotional materials, including coupons, arrive after the deals expire. n Mail is chronically late. At least two people reported receiving Christmas cards in the last week. The worst seems to be late bills, prescriptions, insurance and other time-sensitive documents. An invoice mailed by the Gazette to a local post office box was returned Monday stamped, "Box closed, unable to forward." The bill was mailed last August. "I think it is time for us to bind together and confront the postmaster," one Last Word contributor wrote, calling for a modern day Stamp Act revolt." [EdNote: No....You must have it wrong....According to L'Enfant Plaza, mail service has never been better.]

Reuters has reported that "Russia's unemployment rate unexpectedly rose to a five-month high of 8.2 percent in December, as some 42,000 people lost their jobs, data showed on Wednesday, underlining the fragility of the economy's recovery. Russian Post is among the companies planning job cuts this year, with some 33,000 postal staff set to be affected."

From the Federal Register:

Postal Regulatory Commission NOTICES Meetings; Sunshine Act , 4429 [2010–1758] [TEXT] [PDF] Post Office Closing , 4429–4430 [2010–1612] [TEXT] [PDF] Postal Service RULES Conduct on Postal Property; Penalties and Other Law , 4273–4274 [2010–1643] [TEXT] [PDF] According to the <u>Globe and Mail</u>, "In U.S. border towns from New York to North Dakota to Washington state, a growing number of Canadians are licking U.S. stamps to send what is, in reality, domestic [Canadian] mail. For a small but growing number of this country's eBay vendors, the cheapest path across Canada lies through the heart of America. Canadians are showing up in increasing numbers at U.S. Postal Service outlets with parcels and letters destined for other provinces – and, in at least one case, a neighbouring town. The reason? It's often cheaper to send a letter from Toronto to Vancouver by dropping it off in Buffalo, N.Y., than it is to use the nearest Canada Post outlet. Enough eBay sellers are now taking advantage of this postage-rate quirk that some U.S. mail outlets credit Canadians with helping them get through the downturn. And for Canadians peddling their wares online, the U.S. Postal Service has become a conduit for survival."

According to <u>Hellmail</u>, "The highly regulated postal market, characterised by a state operated national monopoly, is a far cry from my previous experiences in a sector that thrives on competitiveness and the relentless driving of innovation, customer focus and efficiency – values that are naturally imperative to business success."

January 26, 2010

The <u>BBC</u> has reported that "Guernsey Post has announced a change from a solely weight-based system to weight and size-based pricing. From April it will adopt pricing in proportion, a similar system to the Royal Mail, with three postal formats; letter, large letter and packet."

The <u>Courier, Express, and Postal Observer</u> has noted that "In the next few days, President Obama will deliver the State of the Union Address and reveal the 2011 budget. White House spokesman have already announced that the budget will include a freeze in discretionary spending in fiscal years 2011 through 2014. The spending freeze creates an additional barrier on top of the normal budget scoring process to efforts to find a solution to the Postal Service's financial problems."

DMM Advisory: Streamlining Hard-copy Postage Statement Processing.

Today the Federal Register published our proposed rule, Streamlining Hard-copy Postage Statement Processing. This proposed rule reflects changes in the processing of hard copy postage statements that accompany commercial and permit imprint mailings at *Postal One!*® facilities. Mailers are encouraged to mail or hand-deliver written comments to the U.S. Postal Service® Headquarters in Washington DC no later than February 25, 2010. Mailers may also email their comments concerning the proposed rule, containing the name and address of the commenter to: MailingStandards@usps.gov, with a subject line of "Postage Statement Processing." Read the entire proposed rule on the Postal Explorer® website at <u>pe.usps.com</u> by clicking on <u>Federal Register Notices</u> in the left frame.

From <u>Mail Moves America</u>: "Yesterday, the Seattle City Council approved a modified version of its Do Not Mail resolution."

Quad/Graphics, Inc., the largest privately held printer in the U.S., and World Color Press Inc., the second largest provider of print, digital and related services in the Americas, today announced that their boards of directors unanimously have approved a definitive arrangement agreement whereby Quad/Graphics will acquire Worldcolor, enhancing Quad/Graphics' position as a leader in the printing industry with increased efficiencies, greater geographic reach and broader product and service scope. The expanded Quad/Graphics will have nearly 30,000 employees serving customers in the U.S., Canada, Latin America and Europe.

The <u>Seattle Times</u> has reported that "The Seattle City Council heard more than an hour of testimony Monday on the most controversial item on its agenda: junk mail, and whether to get rid of it. Of course, one person's junk mail is another's direct mail. The owner of a local dry cleaners explained direct mail was the only way he could target his advertising to people who lived within a two-mille radius. Labor leaders pleaded for postal-carrier jobs they said could be lost. Printing-company representatives said putting restrictions on junk mail would make matters worse in the middle of a bad economy. One by one, they complained the council's resolution supporting a do-not mail registry "reeks of bias" and "doesn't meet the standards of an undergrad term paper."

The <u>Washington Post</u> has noted, "The Postal Service printed \$37 billion worth of stamps in fiscal 2008 at a cost of \$78 million and eventually destroyed \$2.8 billion worth of them. As the mail volume and profits continue their sharp decline, the mail agency's watchdog is seeking ideas on how to cheaply and more efficiently produce the thumbnail-sized images."

The <u>Wall Street Journal</u> has reported that "The European Commission Tuesday closed its investigation into a special government guarantee to France's postal company La Poste because a new law will put an end to it."

EAccording to <u>SustainabilityIsGood</u>, "Most green minded companies live by three R's which are Recycling, Reducing and Reusing. With their policies and programs it is obvious that the USPS is not doing as a good of a job as possible of reducing usage or recycled content but they are darn adamant about not supporting the third "R" we call reusing. USPS boxes are well built and sturdy and can often times be used again but USPS policy prohibits the re-use of any of their shipping boxes. Why?"

From Postal Technology this week: Strong results for MaltaPost Long-term support for OCR investors Poll shows companies will increase use of direct mail in 2010 Deutsche Post DHL invests in new fuel-efficient trucks Swiss Post expands offering

Debenhams signs new £113 million logistics contract with DHL

From the Federal Register:

Postal Regulatory Commission RULES New Postal Product , 3988–3993 [2010–1452] [TEXT] [PDF] Postal Service PROPOSED RULES Streamlining Hard-copy Postage Statement Processing , 4031–4035 [2010–1499] [TEXT] [PDF]

WPVI has reported that "It seems that everyone knows someone with ties to the tragic earthquake in Haiti. For some neighbors in New Hope, Pa. that person is their mailman, Pierre Laguerre. Even as he made his normal rounds on Monday, he was still grieving over the quake that took the lives of beloved family members. "I lost my little brother, I lost my uncle. It's hard to accept. I cannot even talk right now," Laguerre said. On their own, people along Laguerre's route raised nearly \$3,000 to help him cover travel expenses to get to Haiti with supplies and aid for family members who survived. However, the neighbors have been told they cannot give Laguerre the money in any form, gift or cash, despite the extraordinary circumstances. "Never, ever, did we dream we'd run into an issue with the postal service telling us we can't take up a collection and give it to him, " said Keller Taylor of Solebury Township. "Everybody was outraged." "The postal service has some ethics rules, and we're not allowed to accept

cash gifts," said New Hope Postmaster Jim Holland, who added that applies even though Laguerre did not solicit the money."

According to the <u>Washington Post</u>, "The Republican Party is seeking input and money from GOP voters seemingly under the guise of the U.S. Census Bureau. The letter makes a plea for money and accompanies a form asking voters to identify their political leanings and issues important to them. There are no disclaimers that participation in the GOP effort is voluntary; participation in the government census is required by law. Failure to participate carries a \$5,000 fine, though it is rarely enforced. Democrats said the letter was part of a deceptive pattern by Republicans. Rep. Carolyn Maloney, D-N.Y., asked the Postal Service to investigate complaints about the letters in December and was rebuffed. Ken Currier, manager of government relations for the postal service, said it's clear the document was not from the government. Maloney said she is considering legislation to make it clear such mailings are not allowed."

The <u>UN News Centre</u> has reported that "The postal sector, a key economic "motor", will help to spur recovery in Haiti in the wake of a catastrophic earthquake earlier this month, a senior United Nations official said today. "Haitians need effective postal services to be able to receive and send mail and goods as well as make financial transactions, including money transfers," Edouard Dayan, Director General of the Universal Postal Union (UPU), said. Nearly 1 million Haitians reside in the United States, 130,000 in Canada, and 80,000 in France, among other places. "Setting up efficient postal services in Haiti will contribute to stimulating the economy and alleviating inhabitants' difficulties," Mr. Dayan noted."

According to <u>MediaPost</u>, "Don't count on the imminent launch of the Apple tablet, or any tablet device for that matter, to save newspapers. So says Gartner analyst Allen Weiner in a recent analysis tempering high hopes about the tablet as the instrument of a newspaper industry revival.

Press Release: "Husch Blackwell Sanders is pleased to announce it has significantly expanded its Government Contracts practice with the addition of seven partners in the firm's Washington, D.C., office. Six of the attorneys were formerly partners at Wickwire Gavin, which merged with Akerman Senterfitt in 2006. The seventh attorney was a partner at Holland & Knight....**David P. Hendel's** practice encompasses all aspects of government procurement law, with emphasis on contracts issued by the U.S. Postal Service. He represents companies ranging in size from Fortune 25 companies to sole proprietorships on matters relating to their postal contracts. His experience includes matters involving purchasing laws and rules, selection and award, protests, contract administration, contract interpretation, subcontracting, compliance, changes, equitable adjustments, claims litigation, false claims, disputes, due diligence, audits, termination and debarment."

January 25, 2010

Web Host Industry Review has reported that "Through a partnership with certificate authority Comodo (<u>www.comodo.com</u>), Deutsche Post Com GmbH, a wholly owned communications services subsidiary of Germany's postal services provider Deutsche Post (<u>www.deutschepost.de</u>), will now be offering a range of digital certificates to its customers. According to its announcement last week, Deutsche Post Com will provide certificates including Extended Validation, EV Server Gated Cryptography, and premium SSL and premium SSL Wildcard certificates. Deutsche Post Com will offer these high-end encryption and authentication technologies through its business division and Signtrust (<u>www.signtrust.de</u>) label.

Geek.com has asked: "Have you wondered just how much spam is traveling out there on the Internet? The European Network and Information Security Agency (ENISA) has just published a report on the methods used to reduce spam reaching e-mail users. In that report, compiled by survey responders from 92 different e-mail providers in 30 countries, the amount of legitimate e-mail that lands in a users e-mail account is only 4.4 percent. This means the rest of the e-mails that get blocked are considered spam and they account for over 95.6 percent of e-mail traffic."

The <u>Consumer Postal Council</u> has posted a piece on Pos Indonesia.



The latest blog entry has been posted today on the U.S. Postal Service Office of Inspector General's Internet site "<u>Pushing the Envelope</u>." The public, mailers, postal employees, and other stakeholders are invited to weigh in on the online discussions taking place. To view the site, visit <u>http://blog.uspsoig.gov/</u>.

• How Can the Postal Service Reduce the Costs Associated with Postage Stamps? Are there better alternatives to stamps? Given the Postal Service's current financial condition, does the Postal Service really need to produce so many stamps, some of which are not cost effective, or are eventually destroyed?

You can visit Office of Inspector General's public website at: <u>www.uspsoig.gov</u>. You can also follow us on Twitter at: <u>http://twitter.com/OIGUSPS</u>. If you have additional questions, please contact Communication and Work Life Director Agapi Doulaveris at 703.248.2286.

EAccording to <u>Rag Content</u>, "It appears, through default, the OIG has taken over the creative thinking of the Postal Service. Instead of looking at the problems in a new way, the USPS management goes right to cost cutting – cut workhours, cut service, and cut delivery days. It continues to make mail less attractive through regulations and passing costs onto customers."

The <u>Courier</u>, <u>Express</u>, and <u>Postal Observer</u> has noted that "in a previous post, "Re-Regulating the Postal Service's FY 2009 Annual Compliance Report represents the potential for a mini rate case. Now that the PRC has chosen to proceed, this has happened. In addition, the PRC has chosen to enter uncharted territory, examination of the Postal Service's financial and business plans by asking whether the Postal Service generated sufficient revenue in 2009 "to assure adequate revenues, including retained earnings, to maintain financial stability." [39 U.S.C. § 3622(b)(5)] Overhanging all of the specific areas of inquiring discussed below, postal stakeholders face a concern that hangs over the entire proceeding. If the PRC find the Postal Service to not be in compliance with any of the ratemaking rules included in 39 U.S.C. § 3622, can it force the Postal Service to file an exigent rate case to put it in compliance?"

From <u>PRNewswire</u>: "MailExpress, Inc., announced the appointment of Jon Routledge, senior vice president of sales, and Holly Noah, director of marketing, to the management team. The addition of both sales and marketing leadership supports the company's focus on accelerating revenue and customer growth. Routledge's career spans 23 years in the express logistics and transportation industry, leading customer-focused organizations in roles encompassing sales, operations and general management. He most recently served as Vice President, Express Global Customer Solutions at DHL Express. "Jon's track record of consistently delivering over target revenue results as a challenger brand in a highly competitive market gives us confidence in his ability to drive rapid, profitable revenue growth at MailExpress," commented Randy Clark, President and CEO."

USAToday has reported that "Whenever a crisis occurs, logistics is the first thing that needs addressing," says Ed Martinez, director of philanthropy and corporate relations for the UPS Foundation in Atlanta. UPS says it urges its employees to volunteer during natural disasters and other crises. Along with executives who, like Arnold, have their own relationships with charities, the company has a 20-person Logistics Emergency Team in Asia, Europe and the Americas that is trained in humanitarian relief. Team members perform "skill-based volunteering" while still earning their pay."

As the <u>Wall Street Journal</u> has noted, "The investigation of the 2001 anthrax attacks ended as far as the public knew on July 29, 2008, with the death of Bruce Ivins, a senior biodefense researcher at the U.S. Army Medical Research Institute of Infectious Diseases (USAMRIID) in Fort Detrick, Md. The cause of death was an overdose of the painkiller Tylenol. No autopsy was performed, and there was no suicide note. Less than a week after his apparent suicide, the FBI declared Ivins to have been the sole perpetrator of the 2001 Anthrax attacks, and the person who mailed deadly anthrax spores to NBC, the New York Post, and Sens. Tom Daschle and Patrick Leahy. These attacks killed five people, closed down a Senate office building, caused a national panic, and nearly paralyzed the postal system. The FBI's six-year investigation was the largest inquest in its history, involving 9,000 interviews, 6,000 subpoenas, and the examination of tens of thousands of photocopiers, typewriters, computers and mailboxes. Yet it failed to find a shred of evidence that identified the anthrax killer—or even a witness to the mailings. With the help of a task force of scientists, it found a flask of anthrax that closely matched—through its genetic markers—the anthrax used in the attack."

The <u>Daily Campus</u> (UConn) has told its readers that "Disbanding the U.S. post office would save \$7 billion per year."

From <u>MoreRFID</u>: "Wise Media announces the creation of Postal Innovation, a new global initiative to connect representatives of the postal and express shipping organizations with experts in the field of security, wireless and automatic identification from around the world, bringing to life the first international think-tank and observatory on innovative technologies and methods adopted in the postal market sector."

Marketing Week has reported that "The direct mail industry needs to do more to reduce the impact of unwanted "junk" mail on the environment, according to MPs. Research on behalf of the All Party Group on Junk Mail, found that almost three quarters (73%) of MPs do not believe the industry takes appropriate measures to mitigate the environmental impact of DM. Almost all (97%) of the MPs polled said they receive unsolicited junk mail and have concerns about the steps taken by the industry to improve data handling and reduce the environmental impact of direct mail."

According to the <u>Portsmouth News</u>, "A prospective MP has launched an attack on a 'penny pinching' move to cut postal services to British armed forces personnel serving abroad. Tory Caroline Dinenage has denounced government plans to scrap 'vital' British Forces Post Office (BPFO) services and send mail through foreign companies instead."

The Niagara Gazette has reported that "The good news is that Jan DiFranco knew she hadn't won. When the letter came to her 71st Street home, Jan DiFranco saw right away that some unsavory folks were trying to steal from her. But she worried that other people might not. If she had fallen for the letter's news that she had won \$125,000 in U.S. dollars, she might have decided to cash the accompanying check for \$3,980 which was enclosed to "assist you in paying the necessary government applicable taxes on your winning." While it looked convincing, the letter had many indications it was written by a scammer so DiFrancesco knew not to cash the check.U.S. Postal Inspector Ray Williams said letters and checks such as DiFrancesco received cross his desk nearly every day. He said that consumers need to know if they cash the fake checks, they are liable for the money they take from the bank. "You present a check, money order, or debit card and ultimately the bank and the law presume you are presenting them something legitimate," he said."

Check out <u>Hellmail</u> for more on these stories:

The <u>Ukrainian Postal Service</u> (Ukrposhta) has begun offering a hybrid mail service as part of its online services. See also <u>KyviPost</u>.

A <u>Bulgarian Post</u> audit reveals vehicle abuses.

Prescott Report The latest issue of the Prescott Report is now available online. In this issue:

- Winterberry Group's analysis of media spend on and offline in 2009 and predictions for 2010.
- Case Study in fund-raising in The Netherlands: Aha! Marketing, POP and direct mail. Over 400% ROI on a campaign to fix wounded windmills.
- Going to Battle in US Courts a warning to foreign companies to "get their data retention policies in order".
- US-based ETOEs. Kate Muth asks important questions on treatment by State and Homeland Security of foreign posts exporting mail from the US.
- Health Insurance. The Cost in Europe-an unscientific survey of Lucerna Juris lawyers.

• Privacy Updates: Red Flags Rules from the FTC; European Commission considering changes to the Data Protection Directive; Targeted Marketing - more developments in the policy-making meetings.

The latest issue of the <u>National Association of Major Mail Users</u> (NAMMU) publication, <u>eView</u>, has been posted on this site. It makes clear that Canadian direct marketers are not waiting for others to promote mail as a valuable business transactional tool.

The Daily Sun has reported that "The Nigerian Postal Service (NIPOST) has intercepted fake \$151,000 traveller's cheques and \$100,000 at its Ikeja, Lagos, General Post Office (GPO). The fake traveller's cheques in \$500 denomination were in an envelope and addressed to one Neitria Adams, 6531 S Lowe Avenue, Chicago, II, 60621, USA."

From the Courier, Express, and Postal Observer: "The Direct Mail Market: Structure and Success Factors."

January 24, 2010

From <u>Newswire Today</u>: "The Reverse Logistics Association (RLA) will return to Las Vegas for the 7th Annual RLA Conference & Expo!. The world's largest Reverse Logistics event runs for three full days February 8-10, 2010, and football legend and current NFL coach Mike Singletary will join the event."

The Faster Times has an article on "Why Italian Post Offices Are Always Crowded."

The <u>Temple Daily Telegram</u> has reported that "Mail is supposed to be delivered despite snow, rain, heat or gloom of night. But even when the elements weren't to blame, the Temple post office threw away and delayed mail delivery, federal investigators have found."

EThe <u>Dayton Daily News</u> has reported that "DHL, the express delivery company that wiped out 8,000 jobs and the region's largest employer by closing the U.S. freight hub there to save money, has pledged to donate the 1,500-acre airport and assets including its package sorting system and air traffic control tower to the Clinton County Port Authority. Public officials are savoring the chance to be optimistic, after the gloom of the region's massive job losses."

January 23, 2010

Hellmail has reported that "TNT Post Holding Deutschland GmbH has signed an agreement with Verlagsgruppe Georg von Holtzbrinck GmbH & Co. KG, CITIPOST-Verbund-GmbH and Logistic-Mail-Factory (a company of Mediengruppe Pressedruck, Augsburg) to establish "mail alliance" in Germany. With this new alliance, TNT Post strengthens the existing co-operation with the mail distribution companies of leading German publishers. "mail alliance" will be operational as of 25 January 2010."

WENY has reported that "25 postal workers in Elmira have received official notice their jobs are being abolished. At the beginning of the month, employees received 60-day notices saying their jobs were potentially affected. Now, it's official."

January 22, 2010

The latest copy of the <u>National Association of Postmasters of the U.S.</u> electronic governmental affairs newsletter is available on the NAPUS web site.

Ever want to know what in blazes is an STID? Well, now you can know. A presentation on <u>Service Type</u> <u>Identifiers</u> has been posted on RIBBS.



- New OIG Study Estimates USPS Overpaid CSRS By \$75 Billion •
- Congressional Research Service Issues Report On USPS Financial Condition •
- USPS Posts Assumed Federal Income Tax On Competitive Products •
- PRC Concludes Phase II Of Nonpostal Review •
- Conjuring Conversation And Consensus - A New Year's Resolution •
- USPS Proposes Flats Deflection Non-Compliance Prices •
- Enshrining A Twentieth Century Postal Service •
- Pensions: Another Government Rip-Off Of The Postal Service •
- Postal Notes
- From The Federal Register •
- DMM Advisory Update •
- At The Postal Regulatory Commission •
- From The OIG
- Over There International Postal News •
- 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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According to the Wall Street Journal, "With the new tablet device that is debuting next week, Apple Inc. Chief Executive Steve Jobs is betting he can reshape businesses like textbooks, newspapers and television much the way his iPod revamped the music industry—and expand Apple's influence and revenue as a content middleman. In developing the device, Apple focused on the role the gadget could play in homes and in classrooms, say people familiar with the situation....Despite its digital legacy, Apple is betting that its Tablet can revitalize television, magazines and newspapers in the way iTunes changed music. For classrooms, Apple has been exploring electronic-textbook technology. Apple also has been looking at how content from newspapers and magazines can be presented differently on the tablet, according to the people familiar with the situation....Other people briefed on the device say the tablet will come with a virtual keyboard. Apple has recently been in discussions with book, magazine and newspaper publishers about how they can work together."

Mailers' Technical Advisory From USPS MTAC co-chair Stephen Kearney: "The 2010 Committee (MTAC)

Census mailings begin in a few weeks-a historic volume of approximately 447 million mail pieces will be entered into the

system. We want to assure you that we have been working to make sure our acceptance, transportation, operations and delivery functions are ready to handle it. All of our efforts will ensure that the Census mail volume will not affect, in any way, service performance for our customers."

Contractional News, "Despite the exertion of Pakistan Post for making the postal services proficient with the introduction of modern innovative trends the population in the rural areas are still lacking essential facilities of an efficient service. The poor service of Pakistan Post in the rural areas of the country including Islamabad is not capable to fulfil the requirements of the people and thus forcing them to adopt other measures to achieve the objective. The customers are of the view the present postal

service is lacking level of required qualitative service to cope with the needs of the public which has to miss several important occasions of using the postal services."

From <u>SBWire</u>: "PC to Mobile text messaging service, ZapitSMS, is being increasingly favoured by businesses large and small as a tool to enhance their current communication systems. The new decade has signaled the need for system upgrades for many companies around the world. And with the rise of using SMS from PC's, there is a clear preference for internet and mobile phone technology over landline telephones and postal mail."

Wired has reported that "The U.S. Postal Service keeps chugging along in its quest to find an electric delivery truck, and it has enlisted the help of two outfits for the final part of its study. One of them, AC Propulsion, is well-known within the EV community. The other, AutoPort, is the company that gets to do the heavy lifting. The companies will work together on the engineering, development and conversion of a conventional mail truck to electric power, one of five ideas the Postal Service is considering to begin electrifying its fleet of 142,000 vehicles. Once the truck is built and tested, it will see duty on the streets of Washington, D.C. AC Propulsion CEO Tom Gage is confident his truck will measure up."

According to <u>The Times of Malta</u>, "Maltapost has reported pre-tax profit in excess of €3 million for the year ending September 30, 2009 despite the company's revenue dropping by 1.4 per cent over its previous one-year term. The company reported revenue of €20.19 million, resulting in a profit that was 10 per cent up over last year. The drop in revenue was due to lower volumes of domestic mail and lower sales of philately to enthusiasts. This, however, was compensated by an increase in overseas mail. The company also managed to cut costs by 3.4 per cent to €17.3 million, following a review of its operational process. A recent survey by the communications authority showed that 85 per cent of households and 69.8 per cent of small businesses were satisfied with the service it provided."

Devon24 has reported that "Geoffrey Cox, MP for Torridge and West Devon, has met senior Post Office executives to discuss the continued and persistent technical problems that have blighted Mobile Post Offices across Devon. The MP urged a review of the mobile van service, and in particular, whether it can provide a long term, robust and reliable service to rural communities. The Post Office has promised to perform such a review in the light of recent problems."

Be sure to take a look at the <u>Congressional Research Service</u> report on "The U.S. Postal Service's Financial Condition: Overview and Issues for Congress."

Advertising Age has reported that "The U.S. Supreme Court in a 5 to 4 decision dealt a major blow to campaign finance limits today, potentially opening the floodgates for additional political ad spending by corporations, unions and special interest groups. "I think it takes an already bulked up [election season] and puts it on steroids," said Evan Tracey, president of TNS Media Intelligence's Competitive Media Analysis Group, which tracks campaign finance spending. He suggested the decision's biggest impact could be on last-minute spending in major races. Campaign finance advocates said the court's decision could also fuel more spending across the board. [EdNote: I presume that means mail-related spending too. Could be good news for USPS FY2010, an election year.]

Whoa! Hotstuff from <u>Hellmail</u>: "The Communication Workers Union confirmed today that an interim agreement established late last year to call a halt to strike action at Royal Mail, remains in place whilst talks continue. A deadline had originally been set for today for both sides to establish full agreement on the pace and change of modernisation at Royal Mail but this has now been postponed."

According to <u>Deadtree Edition</u>, "It may be time to bid farewell to the tabloid-sized American magazine. A variety of forces have been conspiring for several decades to put oversized magazines onto the endangered-species list. Now the U.S. Postal Service appears ready to put the tabloid magazine (and catalog) out of existence." And this from the <u>Postal Service</u>: "ACS fulfillment for Wednesday morning January 20 has been delayed. The posting of fulfillment files should begin around noon today. We apologize for any inconvenience."

EAccording to Paper and Other Absolute Truths [truly a whale of a name], "The Postal Service offers us a wonderful opportunity to see how well the Federal Government manages a business. The results are not impressive. The Dead Tree Edition ran a story last week, Postal Service Inefficiency Drives Up Periodical Costs, and documented another sad example of Postal "business" practices. If you link to this article, there are additional stories of Postal mismanagement listed at the bottom of the post."

Automobile magazine has reported that "Although Chrysler had once hoped to build electric vans for the United States Postal Office, AC Propulsion and AutoPort were contracted to develop a prototype EV postal van for small-scale testing."

Hellmail has reported that "An agreement concerning the future organisation of postal deliveries in Belgium was concluded within the Joint consultative committee yesterday. The agreement takes into account concerns raised over those on temporary contracts and addresses the need to reduce costs ahead of the full opening up of trhe Belgian postal market in 2011."

Postmaster General John Potter today announced the retirement of two members of the Citizen's Stamp Advisory Committee and the addition of three new members. The committee annually reviews stamp suggestions from 50,000 Americans before recommending approximately 20 topics for the Postmaster General's approval. New members are internationally acclaimed award-winning poet and past chairman of the National Endowment for the Arts Dana Gioia of Washington, DC. He will be joined by two international award-winning graphic designers Antonio Alcalá of Alexandria, VA, and Eric Madsen of Minneapolis, MN. Lifelong stamp collector, philatelic writer, editor, researcher, exhibitor and lecturer John Hotchner, and patron of the arts and former second lady Joan Mondale will leave the committee.

January 21, 2010

"FedEx Corp. has once again been named to FORTUNE magazine's list of the "100 Best Companies to Work For" in the United States in 2010. The company is ranked 91st overall and was recognized specifically for its ability to manage through the economic downtown by taking proactive steps to minimize layoffs and reinstate salary increases and 401(k) match, which the company suspended last year in the midst of the economic downturn."

for



Parcelindustry.com has published its "13th Annual Rate Analysis" USPS, UPS, and Fedex rates.

The following 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 a report,

please contact Agapi Doulaveris at 703.248.2286.

- Capital District Financial Risk Audit (Report Number FF-AR-10-075) 0
- Enterprise Architecture Within Information Technology (Report Number IS-AR-10-004). 0 Enterprise Architecture (EA) framework within IT has not reached a level of maturity to facilitate repeatable, defined, managed, and optimized processes and systems for the benefit of its stakeholders and in support of future Postal Service initiatives. Management has taken positive action toward implementation of EA within IT, such as designating a manager of IT Strategy and Architecture, establishing an Enterprise Architecture Committee (EAC), and identifying and eliminating some obsolete and redundant processes. However, we believe further emphasis on EA within IT will benefit the Postal Service.

From MarketResearch.com: "The advertising market is undergoing a rapid transformation due to a shift in consumer media consumption patterns and communication preferences. InfoTrends has polled over 1,300 European consumers from five countries across Europe to get a better understanding of the dynamics at work, and has complemented those insights with the latest figures on European advertising expenditures. This analysis concludes with how to assess the impact of potentially disrupting technologies and provides recommendations on how to develop strategies that promote print in a world where communications are increasingly produced electronically and online."

The <u>Miami Herald</u> has reported that "Union members are expected to gather outside a Liberty City post office Thursday afternoon to protest its pending closure. The South Florida AFL-CIO and Postal Union officials are organizing the event, which will start at 4:30 p.m. at the Edison Post Office, 760 NW 62nd St."

EP News (Courier-Express-Postal), published by the MRU Consultancy, has reported that:

TNT withdraws from letter mail delivery in Austria.

Deutsche Post is obviously able to realise the expansion of its low cost subsidiary First Mail (CEP-News 51/09) due to an agreement with a former competitor. News magazine »Spiegel« (18.01) reported under reference to internal letters and redundancy programmes that Deutsche Post stroke an agreement with media concern WAZ. WAZ's own mail delivery service, which is covering the Ruhr District, will be suspended on February 1. Most of the 600 deliverers will be taken over. According to information gleaned by the CEP-News WAZ's mail service division had to cope with losses of 7m euros last year.

Many viewers and market observers agreed: the controversial and often critisized Swiss Post's chairman of the administrative board, Claude Béglé, got out of the tight spot by his last week's TV appearance. In a nationwide broadcasted TV magazine he presented himself hand-tame and admitted he made mistakes.

The standstill agreement between the postal union CWU and Royal Mail ends on Friday this week.

Korea Post is focussing on international business and financial services to create growth this year.

Deutsche Post launched a first price information about the announced new 'Online Letter' (CEP-News 47/09). According to last week's official notice a hybrid letter - online dispatch and physical delivery to the addressee - will cost 46 eurocent, almost 16.4% less than a standard letter.

EXAUSTIA Austria Post was able to increase the parcel volume by 20% last year.

UPS announced the roll-out of the fifth generation of its 'Delivery Information Acquisition Device' (DIAD).

FedEx has to look for a new courier partner in Uganda. After twelve years of cooperation the East African Courier Uganda quitted the collaboration.

AeroLogic, the joint venture cargo airline of DHL Express and Lufthansa Cargo, is expanding its network.

Jürg Bucher, Swiss Post's new CEO, stepped down from two of his positions in the supervisory board due to his double responsibilities as Swiss Post's and and PostFinance's CEO.



The <u>MRU</u>, 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.<u>To learn more about the stories reported above, contact CEP</u>

<u>News.</u> (We appreciate the courtesy extended by CEP News to help whet your appetite for more of what CEP offers.)

Foster's Daily Democrat has reported that "The manager of the city's Postal Service branch remained out of the office Wednesday, one day after he was escorted out of the building by a Postal Service representative. The reason for the removal remained unclear. Last year, the manager was investigated by the Postal Service's Office of the Inspector General for altering his employees' time sheets. The investigation did not say the employees lost pay, but an employee told Foster's in November that the manager would electronically delete employee overtime, resulting in lost wages."

Bobsguide has reported that "The global transaction division of Deutsche Bank has announced it is to acquire an eight per cent share in Eurogiro. Eurogiro is the second largest network for international payments within the financial and postal sectors."

The <u>Washington Post</u> has noted that "One of China's most popular bloggers, Han Han, posted a satirical essay this week in which he imagined headlines about China's censored Internet in a post-Google era: In 2011, Google, Facebook and YouTube announce their return to the Chinese market -- but the news is censored, so no one finds out. The government allocates 100 billion yuan as part of an economic stimulus package to hire people to post Internet comments; it sets a target of 100 billion positive posts. After a few years, e-mail disappears and 5 million Internet-related jobs are lost, but the revived postal service hires 100,000 workers."

Hellmail has noted that "UK Mail, which operates a network of more than 50 sites and 3,500 vehicles in the UK, saw a further rise in revenues in the latter part of 2009. The company has seen annual rises in revenue of around 4%, which it put down to an increase in junk mail but also noted a return in confidence by businesses as the recession eased. "

According to <u>Deadtree Edition</u>, "The U.S. Postal Service isn't a money-losing operation, just a victim of unfair pension accounting by the federal government, a report from USPS's Inspector General indicated."

From the Federal Register:

Postal Regulatory Commission RULES New Postal Products , 3383–3387 [2010–1055] [TEXT] [PDF]

NEXT has reported that "A new postal system approved by the Universal Postal Union (UPU) and the Pan African Postal Union (PAPU), is to become operational in Nigeria this month. NEXT gathered yesterday (Wednesday) in Abuja that the Nigerian Postal Services (NIPOST) is already planning a training programme for about 60 postal officers drawn from different postal administrations in Africa, with a view to updating their skills for the new Terminal Dues and Inward Land Rate System."

The <u>Financial Times</u> has reported that "General Re, a division of Warren Buffett's Berkshire Hathaway, has agreed to pay more than \$92m to settle allegations related to sham transactions with insurers American International Group and Prudential Financial. The company will pay \$19.5m to the US Postal Inspection Service Consumer Fraud Fund and \$12.2m to the US Securities and Exchange Commission, regulators said on Wednesday."

Life's revolving door:

o John Greco has resigned as President of the Direct Marketing Association.

o <u>Gordon Hughes</u> is resigning as President of American Business Media.

At the Postal Regulatory Commission:

- Docket No. ACR2009: The Postal Service's continuing financial stability is the pivotal issue in this proceeding. Accordingly, Commission Information Request No. 1, issued concurrently herewith, requests the Postal Service to discuss its current plans to achieve financial stability for FY 2010 and beyond under the Postal Accountability and Enhancement Act (PAEA), Pub. L. 109-435, 120 Stat. 3198 (2006), to enable it to meet its principal responsibilities, including to bind the Nation together and to provide prompt, reliable, and efficient services to patrons in all areas. That response is due no later than January 29, 2010. Interested persons may comment on those plans for financial stability in FY 2010 and beyond and may offer alternate means for achieving financial stability under the PAEA. Comments are due no later than February 5, 2010.
- Docket No. ACR2009: The Commission intends to convene a public forum to provide interested persons an opportunity to address issues related to the Postal Service's continuing financial stability. Please provide the Postal Service's current plans to achieve financial stability in FY 2010 and beyond under the Postal Accountability and Enhancement Act (PAEA) to enable it to meet its principal responsibilities, including to bind the Nation together and to provide prompt, reliable, and efficient services to patrons in all areas.
- From the U.S. Postal Service: "With respect to demand analyses which incorporate volume and price data from FY 2009, the Postal Service is providing the enclosed two CD-ROMs. The contents of these CD-ROMs update the demand analyses for categories of mail and services provided to the Commission last year by letter to your predecessor dated January 16, 2009. In addition, pursuant to a provision of Rule 3050.26 which was not in effect last year, the CDROMs also include volume forecasts (based on the underlying demand analyses) for FY 2010."

January 20, 2010

<u>ChannelNewsAsia</u> has reported that "A new startup in Singapore is cutting business costs and taking on an environmentally-friendly postal service."

According to <u>Vertis</u>, "37 percent of Gen Y consumers have responded to retail direct mail offering a gift with purchase, as opposed to 30 percent of Baby Boomers (born 1946-1964) and 31 percent of total adults (Slide B) Additionally, 70 percent of Gen Y consumers surveyed indicate they've responded to retail direct mail with a percent off discount, compared to 61 percent of Baby Boomers and 63 percent of total adults 56 percent of Gen Y consumers also indicate they respond to direct mail offering gift cards, while 49 percent of Baby Boomers and 48 percent of total adults respond to such gift

card



offers."

A report have been posted today on the U.S. Postal Service Office of Inspector General website

(<u>http://www.uspsoig.gov/</u>). If you have additional questions concerning the report, please contact Agapi Doulaveris at 703.248.2286.

<u>The Postal Service's Share of CSRS Pension Responsibility.</u> The report explains how the Postal Service was overcharged by \$75 billion from 1972 to 2009 for its Civil Service Retirement Pension (CSRS) obligation. Analysis details how this occurred,

suggests how it can be corrected, and includes a suggestion for how the extra money can be used to benefit the Postal Service.

China Tibet Online has reported that "Tibet recorded a postal service revenue of 175.92 million yuan (25.77 million U.S. dollars) in 2009, up 17.14 percent year on year, according to a regional postal service work conference. Participants in the conference summed up the region's postal services in 2009 on Tuesday, eyeing further development of this year's mail services."

International Freighting Weekly has reported that "Six of the world's largest logistics firms have joined with a leading logistics software supplier to create a forum dedicated to reducing operating costs in freight forwarding and logistics. India-based Four Soft, DHL, Geodis Wilson, Ceva, Agility, FedEx and Continental Group have now formed the Freight Forwarding Industry & Four Soft Alliance (FFIFA) to develop 'industry best practices', including the establishment of standard business processes and metrics for the use of IT and software in logistics."

Up to 20,000 people have been left without a postal service for the last two days after 18 postal workers refused to begin work at a new €Im sorting office. The An Post mail staff began the unofficial action after they failed to report for work this week at the new sorting and delivery office in Newcastle West, Co Limerick. They previously worked in post offices across west Limerick and were meant to begin work in the new facility on Monday. Despite requests by the Irish Independent, the postal workers declined to explain the reason for their unofficial action."

The <u>Guernsey Press</u> has reported that "the Office of Utility Regulation will rigorously defend its decision to reduce Guernsey Post's monopoly, according to its director-general."

The <u>Daily Mail</u> has reported that "Royal Mail rival UK mail said the increase in junk mail - also known as discretionary or marketing mail - had helped it to post better-than-expected profits." See also the <u>Press</u> <u>Association</u>. [EdNote: If advertising mail is that important to the health and vitality of Royal Mail and the British universal mail delivery system, it can't possibly be "junk." If it is, why do newspapers want to carry it? "People who live in glass houses should never throw stones."]

The National Small Business Association has reported that "NSBA today released its 2009 Year-End Economic Report which shows small businesses continue to struggle under the lagging economy and the ongoing credit crunch. The number of small businesses citing decreases in revenue over the past 12 months rose to its highest point since 1993, and 39 percent report they are unable to get adequate financing for their business. Despite a very dismal latter-half of 2009, however, there is small silver lining: the majority of small businesses (52 percent) expect growth opportunities in the coming 12 months."

FedEx Express, a subsidiary of FedEx Corp. and one of the world's largest express transportation companies, today released the findings of new research which reveals the challenges and opportunities for Asia's Small and Medium Sized Enterprises (SMEs) emerging from the financial crisis towards economic recovery. The study shows that while cost controls remain crucial to survival, SME exporters may benefit from both new sources of consumer demand within Asia, and from the rising volume of trade within the region—especially if more advantage is taken of its many Free Trade Agreements (FTAs).

<u>The Citizen</u> has reported that "African countries have been challenged to save postal services, whose survival is threatened by new technologies. Postal administrations, on the other hand, were told to reposition their services to remain relevant to the public and the economy at large."

<u>PNTOnline</u> has reported that "Due to the federal Sarbanes-Oxley Act and its required implementation locally by the U.S. Postal Service, the Portales and Clovis post offices no longer can provide same-day mailed service of the Portales News-Tribune and the Clovis News Journal. We were told that since the

local post offices are not 24-hour business mail entry units, the local staff cannot accept our newspaper mailing until 10 a.m. Before, we could deliver papers to the post office by 4 a.m. and they would be delivered the same day. Now, however, all local mail has left the local post office by 10 a.m., so our 410 mail subscriptions won't go out until the next day. This change creates an additional delay for Saturday and Sunday papers, because they won't be accepted for mailing until 10 a.m. the next Monday, and won't be mailed until Tuesday mornings." [EdNote: Due to SOX??? This SOX baloney has hit the height of ridiculous. Shaft your customers? "Well, SOX made me to it."]

The <u>Atlanta Business Chronicle</u> has reported that "United Parcel Service Inc. has on the street in Colorado and California 245 new delivery trucks powered by Compressed Natural Gas (CNG)."

Trading Markets has reported that "Japanese biggest logistics services provider Yamato Transport Co., Ltd. has lately set foot in Mainland China, following a batch of global express moguls like FedEx Express and United Parcel Service, Inc. Yamato Holdings Co., Ltd., parent of Yamato Transport, teamed up with Shanghai Jiushi Corporation and a Shanghai-based investment firm to found a joint venture named Yamato (China) Transport Co., Ltd., taking a stake of 65%. 17.5%, and 17.5%, respectively. Yesterday, the new entity drawing a total investment of CNY 600 million started operation in Shanghai."

Federal Business Opportunities has posted the following from the U.S. Army:

THIS PRESOLICITATION SYNOPSIS SERVES AS NOTIFICATION TO INDUSTRY OF SOLICITATION W52P1J-10-R-0050. THIS SOLICITATION IS FOR PROCUREMENT OF POSTAL OPERATIONS AND MAIL HANDLING THROUGHOUT AFGHANISTAN. THE GOVERNMENT ANTICIPATES A BASE PLUS FOUR (4) OPTION PERIOD AWARD. THE SOLICITATION WILL BE RELEASED TO INDUSTRY ON OR ABOUT 03 FEBRUARY 2010. THE PLACE OF PERFORMANCE FOR THIS PROCUREMENT IS AFGHANISTAN. THIS REQUIREMENT MAY BE SOLICITED FOR FULL AND OPEN COMPETITION.

According to the <u>Courier, Express, and Postal Observer</u>, "The Postal Regulatory Commission in a decision announced last week illustrates how the Postal Accountability and Enhancement Act (PAEA) freezes the Postal Service in the 20th Century. The Commission ordered the Postal Service to terminate two nonpostal services and issued guidelines for the sale of licensed CDs and DVDs. [Press Release] [Decision] This decision follows the requirements of the PAEA that the Postal Service not offer any non-postal service that were not offered prior to January 1, 2006. While the PRC may have had little choice in its decision, the impact is likely to be much more significant that limited loss in revenue and net-income."

January 19, 2010

DMM Advisory: INTELLIGENT MAIL SERVICES UPDATE.

- **Mail.dat Client:** On March 14, 2010, the Mail.dat[®] Client used to upload Mail.dat version 08-2 files to the *PostalOne!*[®] system will no longer be available. A new Mail.dat Client for uploading Mail.dat versions 08-2 and 09-1 files became available on November 15, 2009.
- **Reminder** <u>*PostalOne!* Release 23.0.0</u> was implemented on Sunday, January 3, 2010 and supports the Shipping Services price change. With this update, only the January 4, 2010 version postage statements will be accepted.
- <u>PostalOne! Release 24.0</u>: The pre-release notes for <u>PostalOne! release 24.0</u> are posted on <u>RIBBS®</u>>Intelligent Mail Services>Latest News>PostalOne! Release Notes.

RIBBS New Features: Two tools have recently been added to enhance the <u>RIBBS</u> Website. Check them out:

- Email subscription will provide you with automatic email notifications when pages posted on <u>RIBBS</u> are updated. This will allow you to have the most current information with an update reminder sent to you. Subscribe to one or more page notifications and stay up-to-date.
- Search allows you to locate words or phrases within the <u>RIBBS</u> website.

National Postal Forum: Save the date. The <u>2010 National Postal Forum</u> is scheduled for April 11-14 in Nashville TN.

Assistance: Contact the *PostalOne!* Help Desk at <u>postalonehelpdesk@usps.com</u> or call 800-522-9085 if you have any questions or problems accessing the Business Customer Gateway, your accounts, or submitting electronic documentation. The *PostalOne!* Help Desk is accessible from Canada at no charge.

The Postalnewsblog has reported that "Citing concern about its huge annual deficits, Senators Susan Collins, R-Me., and Claire McCaskill, D-Mo., today sent a letter to the U.S. Postal Service (USPS) Inspector General, asking for a review of the service's procurement policies and regulations. Senator Collins is Ranking Member of the Senate Homeland Security and Governmental Affairs Committee and Senator McCaskill is Chairman of the Subcommittee on Contracting Oversight. The letter said that the Postal Service functions as a quasi-governmental entity, which, "coupled with its current financial crisis, demands that it conduct business in a manner beyond reproach, avoiding unauthorized preferential treatment for any contractor. Conflicts of interest must be avoided, and USPS must take steps to prevent activities that present even the appearance of impropriety."

From <u>Business Wire</u>: "Newgistics Inc. (<u>www.newgistics.com</u>), a leading provider of U.S. Postal Service® (USPS®)-based small parcel delivery and returns management solutions, today announced its integration with Endicia® Internet Postage. The solution offers the ability to price, purchase and print e-VS (Electronic Verification System) compliant USPS shipping labels for Parcel Select®, Standard Mail®, Priority Mail®, and Bound Printed Matter classifications through an easily deployed and managed technology platform."

Media Daily News has reported that "The outlook for the U.S. advertising economy appears to have improved in the past month, leading one of Madison Avenue's leading forecasters to upgrade his official estimate for 2010. "We are modestly upgrading our 2010 full-year forecast and now expect normalized advertising revenues (excluding local TV political and national TV Olympic revenues) to effectively be flat this year, only -0.1% below 2009 levels," Brian Wieser, director of global forecasting for Interpublic's Magna unit, writes in an update released early this morning, his first quarterly report of 2010."

The <u>Wilmington News Journal</u> has reported that "Today the largest privately owned airport in the United States becomes a publicly owned resource of the Clinton County Port Authority (CCPA). DHL Express is scheduled to formally donate its DHL Air Park in Wilmington to the local community this morning."

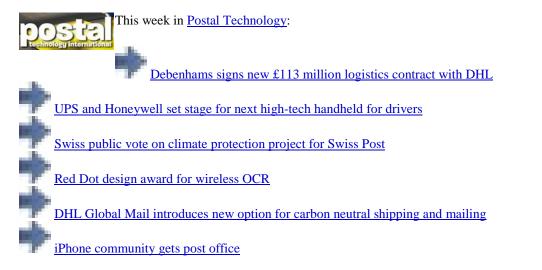
From <u>Sourcewire</u>: "A recent LinkedIn poll conducted on behalf of ONEPOST, the UK's leader in postal management and advice, reveals 65% of companies will increase their use of direct mail this year, particularly as part of an integrated marketing strategy. With its unique software and expert knowledge of postal services ONEPOST is able to offer significant postal savings as well as add value to mailing campaigns through nominated day deliveries and recommendations for environmentally friendly mailing packs."

GMA News.tv has reported that "The Social Security System (SSS) has tied up with the Philippine Postal Corporation (Philpost) to widen the coverage of a new identification system that will facilitate public transactions with government agencies."

The <u>Warsaw Business Journal</u> has reported that "Since the beginning of the year, incumbent postal service provider Polish Post has been offering significant discounts to firms engaged in bulk mailing. It is

attempting to win back clients who have switched to private firms which were offering cheaper services. Those private competitors are, in turn, accusing the national postal service of price dumping."

The <u>Times of Malta</u> has reported that "A survey conducted by the Malta Communications Authority shows that most people are satisfied with the local postal service."



The <u>Azerbaijan Business Center</u> has reported that "The Ministry of Communications and Information Technologies of Azerbaijan has presented the results of country's ICT development for 2009. Communication minister Ali Abbasov says that for the last few years the growth of ICT sector development in Azerbaijan was 32-35% and in the past crisis year 13.7%. "But this indicator surpasses two-fold the world one for 2009. Rise of last year's earnings in postal sector reached 13.6%. Starting from 2012 Azepocht Ltd (national postal operator) is expected to begin receiving profit," the minister said."

Kyodo News Service has reported that "The government is considering scrapping or raising the 10 million yen limit on postal savings as sought by the Japan Post group, Shizuka Kamei, state minister in charge of postal reforms, suggested Tuesday."

Hellmail has reported that "Today's opening of the Birmingham DX Exchange enables organisations in the Midlands to connect to DX's award winning UK network of private mailrooms and sorting offices. DX's business and public sector customers will benefit from a highly convenient and competitive service for the delivery of letters, packets and parcels. DX is the only provider to have its own end-to-end operation that is not reliant on Royal Mail. It offers businesses and the public sector a genuine alternative for the next day delivery of letters, packets and parcels. The new Birmingham DX Exchange will increase greatly local mail capacity. Costs are typically up to thirty per cent cheaper than traditional mail routes, offering businesses across Birmingham a genuine alternative to Royal Mail."

The Monitor has reported that "FedEx an international courier company with operations in Uganda, and regional courier service company East African Courier Uganda have ended their 12 year relationship. Executives at the two firms told Daily Monitor that they ended their collaboration to become more efficient players in Uganda based on their areas of specialty."

January 18, 2010

Hellmail has reported that "The Communication Workers Union, which represents thousands of workers at Royal Mail, is stepping up pressure on the UK government to accept responsibility for a growing pension deficit within the state-owned operator - expected to be around £10bn."

B2B has reported that "By now, many mailers are familiar with the basic structure and objectives of the United States Postal Service's Intelligent Mail program and new postal barcode. This has been augmented by the Full Service program, which began Nov. 29, 2009, requiring participating mailers to use unique Intelligent Mail Bar Codes on mail pieces, trays and containers, and to electronically submit postage statements and mailing documentation, among other requirements. The benefits to those adopting the program are real, providing discounts on first-class and standard mail pieces, as well as flats. Many mailers have also graduated to electronic mailing document submission via the Postal Service's PostalOne! system, which provides a streamlined, Web-based process for mail entry, payment, tracking and reporting."

The <u>Postal Employee Network</u> has noted that "Ruth Y. Goldway (D) is the current Chairman of the Postal Rate Commission (PRC). In 2004, for a guest commentary with Citizens Against Government Waste, Ms. Goldway stated... "...while neither the political climate nor the capital markets make such a transformation feasible now, the ultimate goal–USPS privatization– needs to be kept in sight. The bestintended laws cannot supplant the incentives nor create the requisite vigor provided by a competitive marketplace." At PEN we wonder...does Ms. Goldway still believe that our nation would be better served by privatizing USPS? Should Ms. Goldway wish to respond we would certainly be interested in hearing her 2010 opinion."

Bd24news has reported that "Parliament on Monday passed Post Office Amendment Act-2009 in a bid to raise the standards of the postalservice."

Hellmail has reported that "Universal postal service provider Estonian Post Ltd. joins Estonian Association of Information Technology and Telecommunications (officially abbreviated to ITL). Toomas Türk Head of Estonian Post Infologistics Division said that it was considered necessary to join the Association of Information Technology and Telecommunications, as more and more of today's mail and logistics business is intertwined with developments in information technology and e-solutions development favours offering new services on the market."

The Hindu has reported that "The 'Tirukkural Kalvi Maiyam' has urged the Centre to announce a concessional postal tariff for 'Pongal' greetings, with a view to reviving the tradition of exchanging wishes on the occasion of this festival which symbolised Tamil culture."

The high-ups of Directorate General of Pakistan Post in sheer violation of PPRA rules as well as departmental policy have purchased medicines in bulk on inflated rates under the garb of 'centralised purchase' for obvious reason of getting maximum kickbacks, <u>The Nation</u> has learnt reliably."

From <u>PRWeb</u>: "Print & Post has achieved the industry standard and coveted Payment Card Industry Data Security Standard (PCI-DSS) Certification for its Mailstream services through ControlCase's PCI-DSS Certification program. The PCI DSS, a set of comprehensive requirements for enhancing payment account data security, was developed by the founding payment brands of the PCI Security Standards Council, including American Express, Discover Financial Services, JCB International, MasterCard Worldwide and Visa Inc. Inc. International, to help facilitate the broad adoption of consistent data security measures on a global basis. The PCI DSS was created by major credit card companies to safeguard customer information and mandates that merchants and service providers meet and maintain stringent security standards when they process and transmit cardholder data."

Korea Times has reported that "Korea Post, the country's mail service provider, is turning its eyes to business opportunities abroad, not only in mailing services but also with a number of new financial offerings. "Our top priority in 2010 is to nurture our capacity for sustainable growth. Toward that end, we plan to foster our mailing services and beef up our international businesses," Korea Post President Namgung Min told reporters Monday. "Plus, we will pull out all the stops in order to improve our productivity through efficient management with the aim of earning more than 110 billion won in profits this year," he said."

Bernama has reported that "Pos Malaysia Bhd Monday unveiled the Pos-Automated-Machine (PAM) and Pos-on-Wheels (POW) or Mobile Post Office." See also <u>Business Times</u>.

Postalnews.com carries the following news stories from USPS News Link:

- <u>Linda Welch</u> has been named acting vice president, Area Operations, for the Southeast Area. She succeeds Terry Wilson, who was appointed in 2006.
- <u>The Office of Inspector General (OIG)</u> and the U.S. Postal Inspection Service have launched a joint year-long initiative to combat workers' compensation fraud.

Transport Intelligence has reported that "UPS has announced plans to significantly increase its global service parts logistics (SPL) network by establishing 101 new field stocking locations (FSLs) in China. With the expansion, UPS covers 89 key cities across China with more than 110 bonded and non-bonded FSLs. Companies in a variety of industries that require same-day and/or next-business-day delivery of critical service parts will benefit from UPS's expansion. Examples of these industries include high-tech/electronics, medical equipment and aerospace."

The Citizen has reported:

- <u>A new postal address system</u> for Tanzaniato replace the old mail boxes will be officially launched here today. Under it, mails and parcels transported through the normal postal networks will be delivered to residential and business premises which will have post codes. President Jakaya Kikwete is expected to officially launch the New National Addressing and Postcodes project which has been piloted in Arusha since 2008. The minister for Communications, Science and Technology Prof Peter Msolla told reporters here yesterday that implementation of the project would take five years. Phase One slated for 2010 and 2011 will cover the municipalities, towns and district headquarters while the second phase will be implemented in villages and informal settlements in urban areas. The multi-billion shilling project pioneers the implementation of a street-type addressing system with postcodes and the creation of a national address database.
- <u>Postal services in Africa</u> are still viable platforms for communication despite onslaught from the electronic super highways. Because of its large network, it can effectively facilitate access of populations to ICT-based products and services and thereby significantly contributing to the digital divide. This was said here yesterday during a press conference by Mrs Rodah Masaviru, the director general of the Pan African Postal Union (PAPU), ahead of its 30th anniversary celebrations this week.

January 17, 2010

The <u>Bristol Herald Courier</u> has reported that "Delegate Mark D. Sickles, D-Fairfax has introduced a bill last week in the General Assembly that would fine newspaper publishers \$25 a day when they deliver to a residence that hasn't requested the paper. Sickles' bill has a noble goal: to prevent newspapers from piling up outside homes where the occupants are away – a tipoff for potential thieves."

According to the <u>Observer-Reporter</u>, "The Postal Service must continue to raise its rates because its volume has decreased so much, and one of the few ways that it could stop losing so much money and become more competitive with other delivery services is to stop delivering mail on Saturdays. It could save an enormous amount of money while still keeping its post offices open for business on Saturday. And the amount of fuel that this nation might save by eliminating that day's deliveries is more than 100 million gallons a year. Rate This Story: 1 the lowest - 5 the highest 1 2 3 4 5 Current rating: 3.5 This only makes sense, but Congress, of course, has no concept of sense; it has only the concept of re-election. As an appropriations bill was making its way through the Capitol, an amendment requiring the USPS to continue six-day delivery attached itself to the bill like a barnacle to the hull of a ship. That ship carried many billions of dollars necessary to keep the country running, so it chugged into law on Dec. 16."

The <u>Portsmouth News</u> has reported that "Royal Mail is facing tough criticism and questions from customers angry that they failed to receive post for more than a week because of the snow. There is outrage that hundreds of staff were unable to deliver letters during the cold snap. Services are only just starting to return to normal as the snow thaws."

The **Boston Herald** has reported that:

- Amid a hard-fought Senate race, Democratic candidate Martha Coakley tried to rev up union support yesterday by <u>pledging to support organizing efforts of FedEx carrier workers</u> across the country. Appearing at a Watertown rally with more than 100 Teamsters, Coakley promised to "level the playing field" for some FedEx workers now banned from unionizing under the federal Railway Labor Act. Coakley expressed support for the so-called "Express Carrier Protection Act," which would effectively pull thousands of workers out from under the railway act and allow them to join unions.
- Shipping giant UPS isn't amused by a Democratic Party campaign pamphlet attacking Republican Senate candidate Scott Brown that plays off the company's slogan "What can Brown do for you?" Atlanta-based United Parcel Service, known for its ubiquitous brown trucks, demanded yesterday that the Massachusetts Democratic Party, which is listed as paying for the pamphlet, stop distributing it. The mailer asks "What can Brown do to you?" It shows Scott Brown dressed up as a UPS driver and says, "He can reward corporations that ship your job overseas just like George W. Bush."

January 16, 2010

The <u>Daily Journal</u> has reported that "About a year ago, Jake Wang noticed a reversal in one trend he has tracked for years from an office in Los Angeles. Using computer software that monitors the whirring of 700,000 printers and multifunctional devices in businesses, Wang charted the first-ever drop in the number of pages Americans were printing. "It was like going over a waterfall," said Wang, an analyst for the business consultant and market-research firm IDC. "Starting with the fourth quarter of 2008, we saw a definite drop in page outputs," which nonetheless totaled 1.5 trillion pages for the year — or 5,000 printout sheets per man, woman and child. That number will be lower this year, perhaps by more than 10 percent, though it had been climbing steadily since 2000. A temporary effect of the slow economy or **the beginning of a society truly less glued to paper?**"

As <u>The Lansdale Reporter</u> has noted, "They deal with paper — and lots of it — all the time. So it makes sense that the U.S. Postal Service would launch a P.O. Box Lobby Recycling Program at its post offices under the banner of "Read, Respond, Recycle." "What we encourage customers to do is remove your mail, read your mail — that's the 'read' part — take whatever action is necessary — that's the 'respond' part," said USPS regional spokeswoman Cathy Yarosky."

Tunisia Online has reported that "A partnership agreement was signed on Friday in Tunis by Mr. Abdellatif Saddam, President of the Consumer Defence Organisation (ODC) and Mr. Mohamed Zouhaier Basly, Director General of the Tunisian Post Office (ONP). The agreement aims at further enhancing the quality of postal services. The agreement will ensure various programs and activities aiming at improving the quality of services provided by the Tunisian Posts to its customers."

The <u>Gloucester County Times</u> has reported that "The United States Postal Service and the union representing more than 500 workers at the mail facility located in Logan Township have decided to allow a third party to resolve their differences. Earlier this month, the American Postal Workers Union filed an injunction in U.S. District Court to prevent the Postal Service from shuttering operations there."

The <u>Los Angeles Times</u> has reported that "The announcements this week that three of the country's largest airlines are again increasing baggage fees came as bad news for airline passengers, who must already pay for such extras as blankets, pillows and snacks. United Parcel Service Inc., FedEx Corp. and

the U.S. Postal Service have all encouraged airline passengers to ship their luggage instead of hauling it through a crowded airport. And if the airlines continue to raise fees, the shipping companies see a chance for more business in the future."

As <u>Hellmail</u> has noted: "One estimate put the total energy and fossil fuels used in producing the average desktop computer at 6400 megajoules (MJ) and 260 kg, another that construction of **the average desktop** computer uses ten times it's weight in fossil fuels. A microchip consumes 630 times its weight in fossil fuels. The high energy levels employed along with relatively short life cycles on equipment don't make for particularly inspiring reading although increasingly these levels are dropping as manufacturers are nudged into reducing their carbon footprint further. There are also further carbon emission reductions to be found through networks that use one server supplying several users and greater use of renewable or recyclable components but dealing with the waste from computer equipment is a very real problem that we have not fully addressed. Some might argue that since these systems are already on (the internet), the transmission of digital documents adds little, but isn't that rather like saying "I was only the passenger in this gas-guzzling 4x4" and whilst it may be true that **digital mail** doesn't have to be shunted around in lorries, **the infrastructure on which it depends certainly does have a carbon footprint** and for that reason **it can't be seen as a standalone technology when trying to evaluate the true scale of any environmental impact. It has to be said that without the networks, the product no longer exists."**

Hellmail has reported that "Latvian Post Continues Post Office Network Shrinkage."

Deadtree Edition has announced that "It's official: The U.S. Postal Service will not be able to carry out the usual May increase in First Class, Standard, and Periodicals rates this year. And there may be a bit of good news for mailers next year as well. With today's release of the December Consumer Price Index (CPI), the Postal Service's annual rate cap for the "market-dominant" classes is -0.36%. That's because lower gasoline prices and the economic recession caused the average monthly CPI in 2009 to be below 2008's average."

Senator Jay Rockefeller has sent a follow-up letter to the United States Postal Service's (USPS) Western Pennsylvania District Manager, Charles P. McCreadie, voicing his continued opposition to possible consolidation of operations at the Wheeling, West Virginia Post Office into the Pittsburgh Processing and Distribution Center. As part of the consolidation, the post office plans to eliminate at least 6 positions at the Wheeling facility. A member of Senator Rockefeller's staff was present at the Postal Service Public Meeting at Wheeling Park High School to submit Senator Rockefeller's letter for the record. Last year, Senators Rockefeller and Byrd sent a similar letter to Mr. McCreadie expressing concern over the Area Mail Processing (AMP) study that occurred.

The <u>Postal Service</u> announced today it has placed a temporary hold on all mail destined to the nation of Haiti.

The <u>Business Journal</u> has noted that "FedEx Corp. will hike rates 5.9 percent at its lessthan-truckload subsidiaries, FedEx Freight and FedEx National LTL, effective Feb. 1. The rate increase is in line with increases Memphis, Tenn.-based FedEx (NYSE: FDX) announced late last year within its other subsidiaries. Effective Jan. 4, FedEx Ground and FedEx Home Delivery rates went up by an average of 4.9 percent. FedEx Express shipping rates increased 5.9 percent for U.S. domestic and U.S. export services. Those rates will be offset, at least partially, by a two percentage point reduction in FedEx

Express' fuel surcharge."

At the Postal Regulatory Commission: The Postal Regulatory Commission has published on its site: "Negotiated Service Agreement (NSA) Background Information."

The <u>Bowling Green Daily News</u> has reported that "More than 200 elected leaders, business owners, postal workers, concerned residents and retirees packed inside a local school auditorium Thursday. They all

had something in common - they depend on mail service. And they're worried for the future of that service."

January 15, 2010

According to the <u>UniGlobal Union</u>, "Hundreds of US postal employees say they're ill with what they call severe, mysterious, respiratory problems. Current and former postal workers are blaming paper dust inside the post offices. In the United States hundreds of postal employees say they're ill with what they call severe, mysterious, respiratory problems. Current and former postal workers are blaming paper dust inside the post offices. In an investigation by the US broadcaster, ABC the workers affected say they have not been able to gain recognition from the employers that this is a real workplace health & safety issue that should be resolved."

E<u>Fox17</u> has reported that "The Postal Service pledges to get mail delivered through the worst of snow. A Lansing-area company says it would like to get paid for plowing it. MTS Lawn & Landscaping Services is suing the U.S. postmaster, claiming it still hasn't been paid \$63,000 for clearing snow at the East Lansing post office during the 2006-07 winter. The suit was filed in Ingham County court in November but was moved in December to federal court in Grand Rapids. The government has until Jan. 23 to respond."

Thelocal.de has reported that "Germany's national postal service Deutsche Post has finalised the details of its new "hybrid mail" service. The combination of e-mail with traditional "snail mail" will be €0.09 cheaper per letter, the company said on Friday. Customers will be able to send a letter online and Deutsche Post will print and deliver it at the office nearest to its destination. While normal letters cost €0.55, hybrid letters will be just €0.46 because they are cheaper to deliver. Deutsche Post has so far tailored the service to suit the mass mailings of government administrative offices, insurance companies and banks since they would benefit from the savings."

According to <u>RoadTransport</u>, "After a period of relative calm in the parcel market following the big acquisitions of 2005 and 2006 and the financial woes of Amtrak in 2008, DHL has shaken the sector up by selling off a large chunk of the former Securicor Omega operation it bought in 2005. Its sale of the Domestic Day Definite operation is, in DHL's eyes at least, necessary in order to focus on what it believes are its core strengths of time-definite international express and same-day services, both in the UK and abroad."

Littleabout.com has reported that "At a time when filmmakers are working overtime to promote their films differently, producer Amit Chheda has tied up with the India Post to bring out special cover on the theme of his film "Road To Sangam". The postal department has signed an exclusive marketing deal with the film, slated to release Jan 29. The department will bring out specially designed envelopes to promote the film."

The <u>Plymouth Herald</u> has reported that "A Royal Mail manager has been jailed for six months for stealing cash from greetings cards at the Plymouth depot."

The <u>Oldham Chronicle</u> has reported that "Oldhamers are still waiting for parcels that they expected to be delivered before Christmas. Several Chronicle readers have complained after experiencing long delays in receiving their packages."

The Fort Myers News-Press has reported that "U.S. Postal Service spokeswoman Debbie Mitchell said the mail that was scattered along Six Mile Cypress Parkway this afternoon was being transported by Smurfit-Stone, a company that contracts to deliver undeliverable mail for recycling. Apparently, the truck driver was unaware that mail had been lost. The truck was gone by time postal workers arrived to help pick up the mail, according to Mitchell. How the mail ended up on the street isn't known for sure yet." According to the <u>Buffalo News</u>, "Efforts have been made to slow down Internet tobacco business. Several years ago, New York banned the mail delivery of tobacco products, but the U. S. Postal Service, which is not subject to state law, refused to comply. The reason is money. The Postal Service stands to lose millions of dollars if the mail-order tobacco business is halted. However, aiding and abetting tax evasion while at the same time promoting a product that is known to cause 400,000 premature deaths annually seems shortsighted in light of the fact that the federal government's interest is promoting public health and reining in escalating health care costs. The Postal Service is already banned from distributing guns, alcohol and controlled substances, so it is refreshing to finally see that Congress has decided to add tobacco to the list of banned products."

Press Release: "Courier and Parcel Logistics Expo is the world's leading exhibition dedicated to the technology and services for the global express and parcel delivery services sector. This is the most important show of the year for all companies delivering express parcels and packages in sectors such as just-in-time manufacturing, life sciences, automotive, home delivery, high-tech and global parts distribution."

Transport Intelligence has reported that "UPS and Honeywell have announced they are working together on a new-generation handheld computer for UPS drivers that will further improve communications links while adding a number of other features. More than 100,000 of the Honeywell computers ultimately will be deployed. Known internally at UPS as the DIAD V (Delivery Information Acquisition Device V), the Honeywell mobile computer features cellular technology that provides switching between cellular carriers, meaning the computer can automatically jump to another cellular carrier if the preferred carrier's signal is lost. UPS will begin field testing the device in late 2010 with plans to begin a multi-year, global deployment in 2011. The DIAD V will be approved for operation in more than 100 countries."

The <u>Wheeling News-Register</u> has reported that "One day after attending a meeting conducted by U.S. Postal Service officials and attended by concerned citizens and local public officeholders, Wheeling Mayor Andy McKenzie is not sitting still. After hearing many of the comments and statistics presented, McKenzie said Thursday that he wants the postal service to conduct a more in-depth study of its potential plan to move Wheeling's mail processing operations to Pittsburgh, which could eliminate the Wheeling postmark from local mail."

WBKO has reported that "The postal service held its public meeting on the mail processing study. The debate continues as many raise questions at the validity of the proposal. Many things are unclear because both sides are saying opposite things. For example, postal service managers say we won't see mail delays, but Bowling Green postal workers say we will."

According to <u>Deadtree Edition</u>, "The U.S. Postal Service has recently made it more difficult for customers to submit a change of address, even though reducing mis-addressed mail is one of the agency's major strategic objectives."

According to <u>MSN Money</u>, "Members of the Independent Pilots Association, which represents United Parcel Service Inc.'s 2,800 pilots, have offered to fly aid missions to Haiti without pay. The pilots union has established an electronic volunteer database for its members to sign up for the missions."

A description of how Royal Mail is conducting its advertising mail sale has been posted on this site.

WCAX has reported that "A Long Island-based trucking company that hauls mail for the U.S. Postal Service will pay \$1.8 million in back wages to more than 500 employees. The U.S. Labor Department says it has reached an agreement with MT Transportation & Logistics Services Inc. The Labor Department found that the company failed to pay employees the required hourly rates and fringe benefits between Dec. 1, 2005 and Dec. 31, 2008."

January 14, 2010

Porturn The latest issue of the <u>PostCom Bulletin</u> is available online. In this issue:

- PRC PUBLISHES ANNUAL REPORT TO THE PRESIDENT AND CONGRESS -- The Postal Regulatory Commission has published its annual report to the President of the United States and Congress. The report highlights the major activities of the PRC in FY2009.
- PRC REJECTS REQUEST FOR A DETAILED POSTAL RATE INQUIRY -- On December 17, 2009, the Public Representative (PR) requested the Postal Regulatory Commission "to direct the Postal Service to file with its FY2009Annual Compliance Report (2009ACR) specific estimates, together with documentation, of rate level adjustments for every rate in its market dominant product categories designed to equate overall Postal Service revenue with overall estimated costs that would be sufficient to insure financial stability of the Postal Service by the end of FY2011." The Postal Regulatory Commission did not disagree with the arguments advance by PostCom et al., since it rejected the Public Representative's request in a decision issued on January 7, 2010.
- **DID TOP POSTAL EXEC BREAK CONTRACTING RULES?** -- The Federal Times broke a story on USPS' top marketing executive (Robert Bernstock) directing "... more than \$1.3 million in sole-source contracts to former business associates since July 2008."
- OIG REPORTS USPS HAS OPPORTUNITIES TO REDUCE EXCESS CAPACITY IN ITS NETWORK--The U. S. Postal Service Office of the Inspector General (OIG) this week published the results of its latest in a series of audits to evaluate the USPS' network rationalization efforts. The OIG reported that although the Postal Service made progress in its efforts to streamline its mail processing and transportation infrastructure between FY 2005 and FY 2009, "management has been unable to adjust resources to fully offset mail volume declines, resulting in a deteriorating financial condition." "While management has taken unprecedented action to reduce costs," the OIG reported, "additional opportunities remain to reduce excess capacity in the plant network."
- CLOSING CLEVELAND AREA FACILITIES: A TOUGH ROW TO HOE -- No one said it ever would be easy, but getting post office closures done without congressional interloping is proving difficult. The Postal Regulatory Commission (PRC) has posted several pieces of correspondence that had been exchanged among local, congressional, and regulatory officials concerning the proposed Postal Service closure of a retail facility located in the Cleveland-area congressional district of Rep. Dennis Kucinich (D-OH). Mr. Kucinich is a member of the House committee that oversees the Postal Service, so overcoming any challenge posed by him can prove daunting.
- THE FOLKS IN MAINE ARE TOO HAPPY ABOUT CLOSURES EITHER -- Postmaster General John E. Potter has been closing postal stations and branches, shortening hours, and reducing the work force. Mr. Potter told a congressional subcommittee, "I think that we've reached a breaking point with the recession, and that's why we're seeking to go from six- to fiveday delivery." Several members said their constituents wouldn't like that, and Sen. Susan Collins told him, "The Postal Service cannot expect to gain more business, which it desperately needs, if it is reducing service." She was right and could have gone further.
- **POSTAL SERVICE INEFFICIENCY DRIVES UP PERIODICALS COSTS** -- The U.S. Postal Service is missing out on an opportunity to reduce its costs of handling Periodicals mail. Declining mail volume has left the USPS with "a great surplus" of flats-sorting machines, but a large portion of magazines and newspapers are still undergoing more expensive manual sortation.
- SWISS POST ARRIVES AT CROSSROADS IN DIGITAL AGE -- A series of resignations at the top of Swiss Post has revealed uncertainty at its highest levels over the future of the postal service and its plans to expand abroad.
- UPS ANNOUNCES CUTS -- In announcing its expected strong earnings in the fourth quarter of 2009, UPS also announced significant cuts in its management structure. The cuts are severe and the highlights above illustrate that the cuts will are deep and most likely will have significant one time costs for UPS.
- **POSTAL NOTES** -- Intelligent mail volume triples in four weeks. USPS posts latest Merlin performance. Many products not covering costs. PRC opens another rulemaking docket. PRC

values one-day-per-week Postal Service delivery cuts in billions. Don't call it a comeback. No more postal gifts.

- **FROM THE FEDERAL REGISTER** -- Updates on postal matters published in the Federal Register.
- **DMM ADVISORY UPDATE** -- An update on DMM Advisory notices issued by the U.S. Postal Service.
- **OVER THERE INTERNATIONAL POSTAL NEWS** -- A review of postal news from around the world.
- POSTAL PREVIEWS

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At the Postal Regulatory Commission: <u>Re: Docket No. MC2008-1. Review of</u> <u>Nonpostal Services (Phase II)</u>

"The Motion of the United States Postal Service to Re-Open the Record and Supplement the Record, filed November 18, 2009, is granted. 2. The licensing of Postal Service branding of mailing and shipping products related to Postal Service operations for general retail distribution is not authorized and shall be terminated pursuant to section 404(e) of the PAEA as provided in the body of this Order. 3. That portion of the Warranty Repair Program, also known as the Fee for Services Program, to repair, for reimbursement, equipment of OEMs owned by others is a nonpostal service that was not offered as of January 1, 2006, and shall be terminated as provided in the body of this Order. 4. Only licensed CDs and DVDs that otherwise comply with the requirements of the OLRP are authorized for sale under the OLRP. CDs and DVDs may be sold as part of the Philatelic Sales program, a nonpostal service, if packaged with philatelic materials as provided in the body of this Order."

Reuters has reported that "FedEx Corp's express delivery arm may see the uptrend in its outbound volume from China continue this year along with the country's improving trade situation, a senior executive said on Thursday. FedEx Express and its rivals were affected by the global economic downturn and a rare decline of China's exports for the most part of 2009, but a recovery has taken root since the middle of last year."

Press Release: "Hamilton Davison, president & executive director of the American Catalog Mailers Association, today announced the hiring of Paul Miller as vice president & deputy director of the trade organization that serves the needs of catalog mailers. Miller's role with the nearly-three-year-old group will run the gamut from relations and close contact with U.S. Postal Service, Postal Regulatory Commission and other key government officials, to membership development, to organizing and overseeing ACMA's National Catalog Advocacy Forum, April 13-15, 2010, in Nashville. Miller will work full-time out of his home office in Westchester County, N.Y., and can be reached anytime at 914-669-8391 or pmiller@catalogmailers.org."

The <u>Journal of Commerce</u> has reported that "Logistics and transportation operators trying to bring badly needed aid to Haiti are trying to overcome the enormous devastation to infrastructure from the earthquake that has devastated the nation, killing untold thousands of people. While relief organizations were pulling

together food, medicine and other supplies, news reports said air transport would be the only direct way into the capital of Port-au-Prince, where survivors have been left without shelter and face the onset of disease without help."

As <u>DM News</u> has noted, "Savvy US direct marketers recognize the growth potential in international markets, where an uptick in ad spending is expected this year. However, even the most successful international marketers recognize that reaching consumers in other countries isn't without its challenges — such as the need to address local languages and regulations."

Deutsche Post DHL, the world's leading mail and logistics services group, has sent in the first logistics team for on-the-ground logistics support to the international relief effort in Haiti. The DHL Disaster Response Team (DRT) Americas is preparing to operate out of Toussaint L'ouverture International Airport in Port-au-Prince to manage the logistics and thereby ensure the continuous flow of inbound freight at the airport, including the transfer and distribution of incoming relief goods, once roads are stable. It will carry out its activities in close cooperation with the United Nations (UN). "DHL is committed to providing unwavering support to the people of Haiti and our employees and their families during this devastating situation. We will do our utmost to make sure adequate food and medical supplies are delivered from the international airport to the people," said Frank Appel, chief executive officer of Deutsche Post DHL.

Press Release: "Gain insight from the industry leaders at <u>Marketforce and the IEA's European Postal</u> <u>Services</u> which will be taking place on 22nd, 23rd & 24th March in Brussels. Hear from an excellent speaker line-up, benefit from an interactive programme addressing the most pertinent topics and make the most of the opportunity to meet your industry peers."

The <u>Daytona News-Journal</u> has reported that "A proposal to move some mail processing from the local distribution center to one in Lake Mary drew jeers, boos and pointed objections Tuesday from a crowd of more than 150 gathered at the Hampton Inn. United States Postal Service officials concluded after a study this past fall that the agency could save \$657,000 a year by shifting some work 38 miles southwest to the Mid-Florida Processing and Distribution Center. The move would eliminate 13 jobs at the Daytona Beach Processing and Distribution Center on Bill France Boulevard and add five jobs to the Lake Mary staff."

According to <u>MySanAntonio</u>, "The sudden announcement last month by the U.S. Postal Service that it would close the downtown post office for an indefinite period caught postal patrons by surprise. The branch, formerly San Antonio's main post office, has been in operation on Alamo Plaza for seven decades. As part of its cost-cutting efforts, the Postal Service announced a list of 700 branches for potential closure last summer. It also created a process — ongoing — that includes meetings to obtain public input. The downtown post office wasn't on that list or any subsequent list. Yet the decision to close the only post office in the downtown business district was made with no meetings, no public input and only a few weeks notice. That was unacceptable. Whatever reasons the Postal Service may have had or still has to cease operations at the downtown branch, the lack of transparency in the decision-making process and the abrupt

nature of its announcement was a mistake."

<u>UPS</u> has contributed more than US\$1 million in cash and in-kind support to earthquake relief efforts in Haiti through its charitable arm, The UPS Foundation.

Because A second that "MPs have pressed the government on the ongoing dispute between the Royal Mail and postal workers today."

Handy Shopping Guide has reported that "In a move to 'create value' the Dutch TNT Group's Austrian subsidiary, Redmail, has terminated its addressed mail delivery business activities in Austria due to what it describes as 'limits [on] real competition in Austria' in that particular market. Redmail, a joint venture between the Styria Media Group AG and TNT Post, will instead focus on its newspaper logistic services."

<u>The Independent</u> has reported that "Further job losses are likely as part of the modernisation of Royal Mail, Business Minister Pat McFadden said today. Both Royal Mail's management and the unions recognised that fewer people would work for the state-owned company in future, he said."

From the Federal Register: Change location of U.S. Postal Service Board of Governors meeting to Washington, DC, at U.S. Postal Service Headquarters, 475 L'Enfant Plaza, SW., and change start time to January 12 at 10 a.m.

Passaic Valley Today has reported that "The United States Postal Service (USPS) has said they will consider giving the borough its own zip code, something Woodland Park has not had for more than 46 years. "The bottom line remains that the municipality can approach the post office for an adjustment to the zip code," said George Flood, spokesman for the postal service. "In 2004 they didn't really go through the (Zip Code Boundary Review) process. They went through the process in 1995." Flood said the postal service will only consider reassigning a zip code every 10 years to maintain the continuity of the USPS' system."

The Telegraph has reported that "The postal service could grind to a halt because of fresh strikes as soon as next month unless a peace deal between unions and Royal Mail is signed in the next 10 days."

Purchasing has told its readers that "As is often the case, the small parcel market looks to be a challenging one for freight buyers this year. Despite the fact that demand for small parcel services remains muted along with the U.S. economy, small parcel carriers are pushing rate increases again this year as shippers try their best to emerge strong from the down economy. But while parcel carriers' billing files are notoriously complicated, savvy freight buyers can always dig into those files to find savings opportunities."

The <u>Milford Daily News</u> has reported that "Town officials are going back to the drawing board after the U.S. postmaster general said hand-delivering mail to homes on Main Street is not economically feasible. Calling the mailboxes eyesores that clutter the sidewalks, Ken Glowacki, the town's treasurer/collector, sponsored a citizen's petition at May's annual Town Meeting that would have required residents on Main Street to purchase post office boxes and pick up their mail at the post office. Those boxes cost \$42 per year. The measure was voted down by a majority. Currently, mailboxes on Main Street sit in large pots filled with sand, and some take up as much as half the sidewalk, making it difficult to walk around or for the sidewalk plow to do its job. Glowacki said the mailboxes also interfere with handicapped access on the sidewalk."

Deadtree Edition has told its readers: "The U.S. Postal Service is missing out on an opportunity to reduce its costs of handling Periodicals mail, a postal expert says. Declining mail volume has left the USPS with "a great surplus" of flats-sorting machines, but a large portion of magazines and newspapers are still undergoing more expensive manual sortation, according to Halstein Stralberg. That's part of the reason that the cost of handling Periodicals supposedly rose 6% in the previous fiscal year even though average copy weights were lighter. "The tendency of Periodicals flats to be sorted manually . . . is a major contributor to the excessively high Periodicals costs and the inability of the class to meet its attributed costs," Stralberg said in a report presented to the Postal Regulatory Commission this week by Time Inc. "The likelihood of a Periodicals flat being diverted to manual sorting, even when there is a machine that it could have been sorted on, is considerably greater than for a Standard flat." [EdNote: MANUALLY??? We were told this was what the investment of millions in FSS was supposed to correct. What gives?]

The <u>Hillsboro Star-Journal</u> has noted that "As if newspapers don't have enough problems with keeping their doors open another year — or day, for that matter — the U.S. Postal Service now wants to penalize lightweight newspapers that fail to pass a new "droop" test. USPS had already announced no intention to increase rates. This proposed action seems to be another attempt to levy higher rates for a select group."

From <u>PR Newswire</u>: "It took seven months to hit the 1 billion mark, but only four more weeks to hit 3 billion. That's the number of Intelligent Mail Full Service mailpieces processed by the U.S. Postal Service

since the program's implementation last May. The milestone mailing entered the postal distribution network the week of Jan. 4, and the actual number was confirmed yesterday. The number of Intelligent Mail Full Service mailers increased to 171, a 60 percent increase from mid-December. To date, Intelligent Mail Full Service has generated \$1 billion in revenue."

The <u>Courier</u>, <u>Express</u>, and <u>Postal Observer</u> wrote that "in an interview with All Things Digital, Netflix CEO Reed Hastings stated that its DVD by mail business will continue until around 2030. The importance of the mailed DVD will rapidly diminish over the next 20 years. "Pretty soon, we're going to be a streaming business that rents some DVDs," Hastings told the All Things Digital reporter. Currently Netflix is one of the Postal Service's most important customers. The Postal Service can ill afford to lose this business but there is nothing it can do to stop the loss."

January 13, 2010

According to the <u>Atlanta Journal-Constitution</u>, "It looks like suburban Gwinnett County is about to become the center of metro Atlanta's universe when it comes to snail mail. Check out this public meeting presentation by the U.S. Postal Service, dated next week, describing the benefits of moving its Atlanta area operations from East Point to Duluth, 33 miles away. Benefits include an annual savings of \$5.6 million. Workforce would be decreased by 38 positions."

According to <u>Rag Content</u>, "Although there has been no communication from the Postal Service on its efforts or undertakings to help reduce Periodical costs, it has been pointing to the Flats Sequencing System (FSS) as the savior of all flat shaped mailpieces. The USPS goal is to delivery point sequence the same percentage of flats as letters, to help reduce overhead and costs. The Postal Service has encountered many snags with its deployment of FSS due to steep declines in flat volumes in both Standard Mail and Periodicals. The actual benefits of FSS have yet to be realized or monetized by the Postal Service. Costs for all flat shaped mailpieces continues to rise making almost all products below their attributable costs."

Here's <u>an interesting tidbit from the PRC's web site</u>. It's on "Annualized Percentage Change in CPI-U and Available Price Cap January 2008- November 2009"

Business Week has reported that "Skiff President Gil Fuchsberg predicts that 60 million to 100 million people will be using dedicated reading devices in the next 5 to 10 years."

The <u>Chicago Breaking News Center</u> has reported that "Pamela M. Terry, a court reporter at the Cook County Courthouse, filed a federal lawsuit today against a U.S. Postal Service inspector. Terry claims in the suit that Postal Inspector David Hodapp tried to get information about a judge by threatening her with evidence that she over-billed the Cook County State's Attorney's office."

From <u>PR Newswire</u>: "Eco-conscious companies can now choose a new method of shipping and mailing that supports their environmental protection goals. Today, DHL Global Mail became the first mail services provider in the U.S. to enable customers to send shipments in a way that leaves a net zero carbon footprint, through a process verified by an independent organization."



The Association for Postal Commerce has submitted comments to the U.S. Postal Service on its "Notice of Proposed Rulemaking concerning the Eligibility for Commercial Flats Failing Deflection Standards, 74 Fed. Reg. 660789 (December 14, 2010).

<u>CEP News</u> (Courier-Express-Postal), published by the <u>MRU Consultancy</u>, has reported that:

Sandd and Selekt Mail, TNT Post's main competitors in the Dutch mail market, don't have to conclude indefinite labour contracts with their delivery staff. In the end of December a court in Amsterdam declared an according decree of the economics ministry

illegal.

China Post Group could again strongly increase its business in November.

Korea Express, the largest CEP and logistics company in Korea, surprisingly pulled the launch of a domestic bond of 74m euros which had already received regulatory approval.

Astar Air Cargo, one of DHL's subcontractors in the USA, will lay off more than two third of its pilots.

An agreement with DHL about the future of the Wilmington Airport seems to be imminent.

DHL Express Mexico closed its business year with a revenue increase of 10%.

The German Federation of Postal Service Providers (BvDP e. V.) holds a symposium about sustainability on February 25.

DHL Express Thailand did 'better than expected' in the last fiscal year.

Alan Cook, Managing Director of Royal Mail's Post Office Ltd branch, will retire in May.

Klaus Zumwinkel, former CEO of Deutsche Post, paid his million penalty at the last moment. Zumwinkel received a two years suspended sentence for tax fraud in January 2009 and had to pay a penalty of one million euros payable until the end of 2009.



The <u>MRU</u>, 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. <u>To learn more about the stories reported above, contact CEP News</u>. (We appreciate the courtesy extended by CEP News to help whet your appetite for more of what CEP offers.)

According to the <u>Northern Echo</u>, "British homes that have waited since before Christmas for their postman to call finally got the first delivery of 2010 yesterday. Although the roads in the Edmundbyers, Hunstanworth and Blanchland areas of County Durham have largely stayed open through the snow, there has been no postal service since December 23."

Post & Parcel has reported that "Redmail, a joint venture between the Styria Media Group AG and TNT Post in Austria, today decided to create value by focussing on the regional delivery of newspapers. The move also sees the company terminate its addressed mail business and part of its unaddressed mail business."

According to USPS direct mail manager Rod DeVar writing in the Postal Service publication, <u>Deliver</u>, "Before you kick off your 2010 efforts, know this: The recession has created new norms for the marketing realm. Many tried-and-true formulas for evaluating media effectiveness and accountability won't measure up to your heightened need to accomplish stronger results for less investment. But direct mail will continue to perform.

Marketing Daily has noted that "Customers of L.L. Bean aren't just wearing their duck boots, they're feeling the love. The Freeport, Maine-based retailer once again landed in the No. 1 spot in the National Retail Federation/American Express Customers' Choice survey, followed by Overstock.com, Zappos.com and Amazon.com. (All four ranked in precisely the same order as last year's

survey.)"

Prescott Report

Global Addressing Summit being organized by the Consultative Committee of the

UPU for April 23. Save The Date.

Hellmail has reported that:

The recent release of <u>financial results by Royal Mail</u>, as well as, news of a stamp price increase, has renewed such topics as viability of Universal Service (USO), modernisation efforts and back pension obligations, while concerns about continued industrial action persist. To begin, Royal Mail released financial data for the period April to September, to include operating profit of £184m (a 4% increase), revenues of £4.58Bn (a £73m decrease) and a cash flow deficit totaling £434m. All four Royal Mail groups (Post Office, Letters, Parcelforce Worldwide and GLS) reported profits, but overall, profit was down. Notably, emphasis, by the major participants, was placed on the positive operating profit number instead of the more appropriate bottom line number—a cash flow deficit of £434m for the period.

The move to turn <u>French postal operator La Poste</u> into a limited liability company was approved by the French parliament yesterday - despite opposition by french unions. See also <u>Eircom News</u>.

According to the <u>New Castle News</u>, "the post office denied an appeal by Newcastle to create a ZIP code for the city."

The <u>Chillicothe Gazette</u> has reported that "United Parcel Service will re-organize its operations and close a district office in Cincinnati. The move will mean Chillicothe will move into the new Ohio Valley District, which will provide oversight over Kentucky, Indiana and the southern third of Ohio. The Ohio cities of Celina, Piqua, Lima, Springfield and Wilmington, also will be added to the Ohio Valley District."

From Federal Times: "Here's an update on Monday's story on U.S. Postal Service executive Robert Bernstock and the three sole-source contracts he awarded to people he worked with in the private sector: Agency spokesman Gerry McKiernan said yesterday that the Postal Service's general counsel, Mary Anne Gibbons has finished reviewing the contracts and "determined that the procurement process was followed in securing these contracts." Gibbons began reviewing the contracts last week in response to Federal Times inquiries."

Press Release: "Courier, Express & Parcel Services market is playing a pivotal role in addressing collection and delivery requirements of messages, mails and parcels for individuals and organizations. Sophisticated technologies such as Internet, fax machines, facsimiles and the like have been only partially successful in overriding the popularity of Courier, Express & Parcel (CEP) services. Inability of the modern technologies to establish in certain areas has strengthened the importance of age-old CEP services. Globalization of the world economy opened new avenues for the CEP Services market. Factors such as development of infrastructure, reduction of tariff rates, consumers demand for variety, launch of newer and bigger airlines, have spurred the demand for CEP services across the globe."

At the Postal Regulatory Commission:

The Public Representatives request a temporary suspension of the January 15, 2010 and February 16, 2010 deadlines for filing comments, claiming that additional time is needed to obtain necessary information from the Postal Service.1 The Public Representatives have been engaged in discussions with the Postal Service regarding the production of certain information, however discussions have been delayed by factors including the preparation of the Postal Service's Annual Compliance Report and intervening holidays. Id. at 2. The Public Representatives request that the Commission suspend the initial comments deadline and require that the Public Representatives report to the Commission on the status of the information collection efforts within 30 days after this motion is

granted. The report would include a recommendation regarding new deadlines for initial and reply comments. Id.

The Commission finds that while there is a need to extend the time for filing comments, an indefinite suspension may leave an impression that a timely conclusion of the inquiry is not a priority. The Commission extends the time for filing comments an additional month. The due dates for comments in this proceeding are revised as follows: initial comments are due February 16, 2010, and reply comments are due March 18, 2010. If additional time to collect information proves necessary, the Public Representatives must seek a further extension.

WICZ has reported that "The NY state comptroller wants to investigate the U.S. Postal service after thousands of retirement checks were put in with bulk and advertising mail by mistake."

January 12, 2010

FedEx Express, a subsidiary of FedEx Corp. (NYSE: FDX) and the world's largest express transportation company, has re- appointed Antje Schütt-Fahrenkrog as regional Vice President Operations, Central and Eastern Europe and Israel.

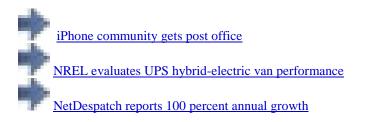
From <u>PR Newswire</u>: "NAVTEQ, the leading global provider of digital map, traffic and location data for in-vehicle, portable, wireless and enterprise solutions, announced today that the United States Postal Service has selected NAVTEQ map data for use within the geospatial component of its eFMS (Electronic Facilities Management System) application."

Deliver, the USPS magazine for marketers, recently won two more bronze Pearl Awards – Best Cover and Best Overall Design (more than 250,000) – from the Custom Publishing Council at a ceremony in New York. The awards recognize excellence in various design, digital, editorial and strategy categories.

DMM Advisory:: Federal Register Updates.

- **Restricting the Mailing of Replica or Inert Explosive Devices.** On January 5, 2010, we published a proposed rule in the *Federal Register* to clarify that the mailing of replica or inert explosive devices, such as grenades, be sent by Registered MailTM only. We invite public comments until February 4, 2010. For more details, go to Postal Explorer at *pe.usps.com*, and click on Federal Registers Notices in the left frame.
- Treatment of Undeliverable Books and Sound Recordings. An advance copy of the final rule <u>Federal Register</u> notice revising the Treatment of Undeliverable Books and Sound Recordings is available on Postal Explorer at *pe.usps.com*. The final rule clarifies the disposal or treatment of books and sound recordings that are undeliverable-as-addressed (UAA) in their original packaging. The disposal of these items as waste will simplify handling procedures and reduce costs.

The latest issue of Postal Technology magazine is now available online. Also...this week in Postal Technology:





WBNG has reported that "The New York State Comptroller's Office says hundreds of lost pension checks have now been delivered. Many of the 60,000 state pension checks mailed December 30 failed to reach retirees' homes on schedule. The Postal Service found that the missing checks had been mistakenly put in with bulk and advertising mail. They were found Saturday, and many were delivered Monday." [*EdNote: Great. So now that they found the checks amidst undelivered advertising mail, will the USPS now finally get around to deliver that advertising mail? Great. Two weeks to deliver advertising mail. What service.*]

The <u>Columbus Dispatch</u> has reported that "From the time you mail a letter until the time it reaches its destination, the letter is almost entirely at the mercy of machines. That means you do not want to mail a cookie in an envelope meant for a letter, which is something that workers see on occasion at the Postal Service's Columbus Processing and Distribution Center."

<u>KOLD</u> has reported that "a 53-year-old U.S. Postal Inspector called 911 and said he had just shot his wife and then killed himself."

The <u>Wall Street Journal</u> has noted that "Looking to cut costs amid the recession, Alicia Settle initially thought it would be a good idea to eliminate her company's annual direct mailing. Spending about \$20,000 on the personally signed letters, which offered customers a discount on early orders, seemed indulgent for Per Annum Inc., which sells city diaries, albums, and planners in the struggling corporate gift market. But after swapping snail mail for email last year, Ms. Settle saw a 25% drop in early orders compared with the same period the previous year. "We realized we had made a huge mistake," says Ms. Settle, president of the New York firm. The affordability of e-marketing, along with the explosion of social media and the desire to trim costs in the recession, has prompted many small companies like Per Annum to slash traditional directmail budgets. U.S. consumers received about 5.2 billion pieces of direct mail in the third quarter of 2009, a 27% decline compared with 7.1 billion in the same period a year earlier, according to Mintel Comperemedia, a research firm that tracks direct-mail marketing. However, some entrepreneurs who were quick to write off direct mail as too pricey or passé are finding it's not so easy to dismiss."

The <u>BBC</u> has reported that "Up to 80 jobs will go at Jersey Post over the next four years as part of a restructuring of the company. The organisation, which is owned by the States of Jersey, currently employs about 400 people."

DM News has noted that "If it had implemented a five-day-per-week delivery schedule years ago, the US Postal Service would have saved more than \$2 billion during the its 2008 fiscal year. For the 2007 fiscal year, the cut in service would have saved the organization more than \$1.9 billion, according to the Postal Regulatory Commission's annual report for fiscal year 2009."

The Press Information Bureau has reported that "Delhi Postal Circle Signed here today a MoU with Thomas Cook (India) Ltd., a company engaged in the business of organizing travel arrangements, to provide all travel related services through Select Post Offices. The MoU was signed by Chief Post Master General, Delhi, Shri Gopinath and Managing Director of Thomas Cook (India) Ltd. Shri Madhavan Menon. Dedicating the five Travel and Foreign Exchange Bureaux to the people of Delhi, the Union Minister for Communication and Information Technology Shri A.Raja said that the launch of these services in Post Offices is a path-breaking initiative taken by Delhi Circle. The Minister said, this enterprise brings together the strengths of India Post, the largest postal network in the world and Thomas Cook, one of the most recognized and internationally known Companies in the travel and foreign exchange sector, the world over."

The <u>Washington Post</u> has reported that "The Postal Service defended the decision-making of one of its top officials Monday following reports that he awarded non-competitive contracts to former colleagues who had worked with him in the private sector. The Federal Times reported Monday that Robert Bernstock, who heads the Postal Service's mailing and shipping division, has awarded three consulting contracts totaling \$1.3 million to three former colleagues since joining the Postal Service in July 2008. The six figure deals were all designed to boost sagging revenues, according to the Federal Times."

According to <u>Transport Intelligence</u>, "The Middle East express, freight forwarding and logistics sectors will shrug off the global economic downturn and experience high single digit development over the coming years. This is one of the main findings of the latest report from Transport Intelligence, Middle East Transport & Logistics 2010, which examines the air, sea, road and rail industries throughout the region. The report concludes that, despite the recent problems in Dubai, the foundations are in place for buoyant growth once the global economy recovers. The transport infrastructure which has been put in place will allow the region to optimise its location as a regional trans-shipment hub. This will be combined with internal economic investment off the back of rising oil and gas prices."

From the Federal Register:

Postal Regulatory Commission NOTICES FY 2009 Annual Compliance Report; Comment Request , 1658–1660 [2010–295] [TEXT] [PDF] Postal Service RULES Purchasing of Property and Services , 1541–1543 [2010–385] [TEXT] [PDF] Treatment of Undeliverable Books and Sound Recordings , 1540–1541 [2010–387] [TEXT] [PDF]

The <u>Yeshiva World News</u> has reported that "A bill sponsored by MK (Bayit HaYehudi) Zevulun Orlev was approved by the Ministerial Legislative Committee on Sunday; a bill intended to halt the unwanted ads and solicitations received in our mail boxes. If passed into law, advertisers would be prohibited under penalty of law to hang adverts on private buildings, in lobbies, near or in mailboxes or any other private property. One may only do so after obtaining prior permission from a resident or housing committee (vaad bayit). Those in violation would be compelled to make compensatory payment, but the amount does not appear in the draft bill. The bill has been presented, without success in the past, but this time around, the government is supporting the move. It should be presented for a first reading in Knesset and then to the Justice Ministry for fine tuning."

The <u>Wheeling Intelligencer</u> has reported that "With the Wheeling postmark and six employee positions at stake, the time is now for those concerned about the U.S. Postal Service moving its outgoing mail operations to Pittsburgh to make their voices heard."

January 11, 2010

The <u>Courier</u>, <u>Express</u>, and <u>Postal Observer</u> told its readers that "The Federal Times reported today on three sole source contracts issued by the Postal Service's Shipping Service to three consultants that had close professional links to Robert Bernstock, the president of the shipping services division. The story reads like the standard government employees wasting taxpayer money story that most reporters covering the Federal Government can write blindfolded. The reporter, however, missed the real story which is how difficult it is to change the culture of the Postal Service, and in particular the culture at the Postal Service's headquarters. In the private sector, if a new division president is hired, and in particular hired to grow a moribund business that should have great growth prospects, he would have brought in an entire new staff with him."

Mail Moves America has reported that "the Seattle City Council voted to delay consideration of its Do Not Mail resolution for two weeks until January 25. On January 20, the Commission on Labor for the City of Berkeley is addressing the Berkeley resolution." See also the <u>West Seattle Blog</u> and <u>`</u>.

The <u>State Journal</u> has reported that "According to a news release from the US Attorney's Office, Malcolm L. Howell, 49, of Athens, was sentenced Monday by United States District Judge Irene C. Berger to five months in prison followed by five months home confinement for misappropriation of federal funds."

According to <u>KLTV</u>, "Thousands of rural and substitute mail carriers with the Postal Service got their paychecks, but still have not been paid. Their pay stubs showed a balance of zero for their latest pay period. The Postal Service says a computer glitch caused the problem. In a statement, the postal service said, "Employees will be given local advances, which average to about 70% of their pay. Adjustments to correct pay will be made on their next scheduled check."



http://blog.uspsoig.gov/.

The latest blog entry has been posted today on the U.S. Postal Service Office of Inspector General's Internet site "<u>Pushing the Envelope</u>." The public, mailers, postal employees, and other stakeholders are invited to weigh in on the online discussions taking place. To view the site, visit

• **Top 10 Postal Stories of 2009.** The OIG blog team named their top 10 postal stories for 2009. Tell them about any stories they missed and add whatever comments you think appropriate. In particular, the OIG would like to get your input on the top story, so take a minute and vote your choice.

You can visit Office of Inspector General's public website at: <u>www.uspsoig.gov</u>. You can also follow us on Twitter at: <u>http://twitter.com/OIGUSPS</u>. If you have additional questions, please contact Communication and Work Life Director Agapi Doulaveris at 703.248.2286.

World Radio Switzerland has reported that "Cabinet Minister Moritz Leuenberger today defended his choice of Claude Béglé as head of the Swiss Post, as more and more attention is focused on the troubled organization."

The <u>Lincoln Tribune</u> has reported that "The federal government sent 2.5 million stimulus dollars to North Carolina ZIP codes that don't exist."

YLE has reported that "The Finnish postal services company Itella plans to cut 188 jobs by the end of the year. The company had initially planned more redundancies, and the total number of job losses might be reduced further before the year is out. Co-determination talks on the future of sorting personnel concluded on Monday."

January 10, 2010

<u>E-Missourian</u> has reported that "Downtown Washington Inc. staff is filling out paperwork required before it can purchase the downtown post office building and eventually assume postal operations. The downtown group and its sister organization, the Historic Washington Foundation, received approval last

month from the U.S. Postal Service on buying the historic building. Previously, the organizations were approved for a CPU or contract postal unit, which is a small postal outlet that offers a wide range of postal service products and services at the same prices found in traditional post offices." [EdNote: Sounds like an alternative business model in the making.]

As <u>Bloomberg</u> has noted, "United Parcel Service Inc., the world's largest package-delivery company, plans to cut 1,800 jobs as it shrinks management at a U.S. unit and said fourth- quarter earnings exceeded its forecast."

Business Of Cinema has reported that "Netflix has signed agreements with five global consumer electronics companies that will introduce Netflix ready devices later this year. The partners include Funai, which distributes the Philips, Magnavox, Sylvania and Emerson brands in the United States, Panasonic, Sanyo, Sharp and Toshiba. Each company will introduce Blu-ray disc players or digital televisions that will instantly stream thousands of movies and TV episodes from Netflix that can be watched instantly in the comfort of the living room. For only \$8.99 a month, Netflix members can instantly watch unlimited movies and TV episodes streamed to their TVs and computers via an ever-growing list of Netflix ready devices, and can receive unlimited DVDs delivered quickly to their homes by the U.S. Postal Service."

AsiaOneBusiness has reported that "Japan's top logistics provider, Yamato Transport, has arrived on Singapore's doorstep and could pose a challenge to market leader SingPost for half of the domestic-delivery pie."

660News has reported that "The cost of mailing a letter in Canada is going up three cents on Monday to 57 cents. Letters going to the United States will cost two cents more, rising to \$1, while international rates will rise five cents to \$1.70. Canada Post spokesman John Caines tells 660News it's part of a five-year plan. Domestic stamp rates will continue to increase two cents a year from 2011 to 2014. The postal service says some of the additional revenue will be used to invest in new machinery and other infrastructure."

The <u>Daytona Beach News-Journal</u> has reported that "The U.S. Postal Service will hold a public meeting Tuesday to discuss its proposal to move some mail processing operations from the Daytona Beach Processing & Distribution Facility into the Mid-Florida Processing and Distribution Center in Lake Mary."

British newspapers are all reporting on: "SNOW: Royal Mail apology over post delays." [EdNote: Hey....It's winter. It snows.]

Hellmail has noted that:

The <u>Danish postal service</u> (Post Danmark) said the massive snowfall in many parts of Denmark had made it almost impossible to provide a full delivery service and that some businesses had been experiencing problems with collections. Although the company would endeavour to deliver, it said that some areas were still without mail due to the weather conditions.

Slovenian Post (Posta Slovenije) said that recent analysis of its post office outlets showed that they remained popular with customers with on average, each post offices seeing more than 780 visitors a day or 17,000 visitors per month, while some of the larger outlets could see as many as 1300 users per day or 28,000 a month

WTRF has reported that "A public meeting concerning the idea of consolidating the Wheeling Post Office with the City of Pittsburgh is scheduled for this week."

Stabroek News has reported that "The Guyana Post Office Corporation (GPOC) last Friday started a training programme for casual staff who had their services from the department terminated on 31st December last year, the first phase of its regularization and reform plan."

Rediff has reported that "Just as many may not have written a letter in ages, an equally large population -- larger, in all probability -- may not have ever used email. Into this breach steps the Department of Posts (DoP), with 'ePost Corporate'. The new scheme, which has been available to individuals for some time, is about to be thrown open to small and big companies, which will be able to send business emails through the internet across the country. These email will be printed and delivered by the postal department. The companies would need to open a business account with the postal department free of cost. The payment for all the business done could be made at the end of the month, DoP General Manager (Business Development) John Samuel told Business Standard. The postal department would charge Rs 6 per page of email. It soft-launched the service in Kerala [Images] on January 1, and would extend it to the rest of the country. DoP would also offer a complete solution for business mails -- from printing, packaging, post printing and delivery."

Transport Intelligence has reported that "the booming demand for air freight out of China is reflected in the latest figures published by Hong Kong Air Cargo Terminals Limited (HACTL)."

Hellmail has reported that "The Belgian mail service (La Poste) has announced the acquisition of a large stake in the American distributor of mail and packets, MSI Worldwide Mail. It said that the partnership with MSI would provide scope for expansion of its international activities in the United States and worldwide. The partnership comes at the end of record year in terms of sales and benefits for MSI. MSI will remain active under the name of MSI Worldwide Mail and will be managed by founder associates Richard Gerhardt and Christopher Taylor for at least the next five years. Management will remain unchanged."

January 9, 2010

The Federal Times has reported that "The U.S. Postal Service's top marketing executive directed more than \$1.3 million in sole-source contracts to former business associates since July 2008, according to documents obtained by Federal Times. Robert Bernstock, president of the Postal Service's Mailing and Shipping Services division, approved \$600,000 to consultant Lynne Alvarez, \$412,500 to consultant Richard Sorota, and \$324,975 to consultant Kimberly Wolfson, all of whom Bernstock worked with in the private sector prior to joining the agency in June 2008. The case is now under investigation, said David Williams, the Postal Service's inspector general. The Postal Service's general counsel also began reviewing the contracts last week in response to Federal Times inquiries. One employee working in Bernstock's division, who asked not to be named for fear of retaliation, said contracting with those consultants is wasteful and unnecessary. Some postal employees are sitting idle because the consultants are doing what previously were their jobs, the employee said. The Mailing and Shipping Services employee who asked to remain unnamed said the Postal Service already had employees on board with extensive experience at private-sector firms such as Accenture and Deloitte. Some contracting experts say Bernstock's decision to order his division to hire former business associates is concerning."

The <u>Washington Post</u> has reported that "The job market remained in a deep funk in December, according to a government report Friday showing that employers view the economic recovery as too weak and too fragile to begin hiring again on any large scale." See also the <u>Wall Street Journal</u>.

According to <u>pluggd.IN</u>, "Few years back, Gmail had an April fool prank 'Gmail Paper' that offered users to send email via traditional postal service. Indian postal department has taken a leaf out of the prank and has launched ePost Corporate Service that enables companies to send business emails through the internet across the country. In order to use the service, corporates need to open up a business account with the postal department (which is free of cost) and then send emails to postal department which will print the email and deliver them to the address."



Postal Regulatory Commission RULES New Postal Product, 1280–1284 [2010–178] [TEXT] [PDF] PROPOSED RULES Periodic Reporting, 1301–1302 [2010–179] [TEXT] [PDF]

The Elmira Star Gazette has reported that "Congressman Eric Massa and Sen. Kirsten Gillibrand are asking U.S. Postmaster John Potter to reconsider moving mail-sorting equipment and jobs out of Elmira. However, Massa, D-Corning, thinks the effort to halt plans to consolidate mail sorting operations in Rochester is probably a lost cause."

WFTV has told its viewers that "The recession could soon be slowing down the mail in parts of Volusia County. A mail-handling facility in Daytona Beach could soon be closed, workers laid off and mail trucked all the way to Lake Mary in Seminole County for processing. It could take at least an extra day for mail deliveries because, under the proposal, a letter would have to go all the way to Lake Mary first before coming back, delaying more than 20,000 letters a day. From Palatka, to the Palm Coast to the Ponce Inlet, mail delivery could be delayed by postal service cost cutting. The sorting operation in Daytona Beach is targeted for shut down and letters that only need to go across town would have to make a trip to a major facility in Lake Mary first."

At the Postal Regulatory Commission: The Postal Regulatory Commission Annual Report to the President and Congress has been posted on the PRC web site.

According to John Dvorak writing for Marketwatch, "he online retailer is just a modern version of an old idea: the catalog and direct-mail business that has been a tradition in the United States since the Civil War. It should be thought of and treated as such. Amazon.com Inc. of 2009 is the Sears, Roebuck of 1893. **Online-only threatens the catalog business**, and as some catalog operations folded, others have tried to transition to an online sales model. They know they are probably as doomed as printed newspapers."

DM News has reported that "FedEx is rolling out a multichannel campaign this month as part of the company's new strategy to integrate its brand messaging and creative across channels. The effort includes online and offline channels with the unified message, "We understand."

January 8, 2010

Figure 1 The Courier, Express, and Postal Observer has noted that "In announcing its expected strong earnings in the fourth quarter of 2009, UPS also announced significant cuts in its management structure. "Effective in April, UPS will reduce its U.S. Regions from five to three and its U.S. Districts from 46 to 20. As part of the realignment, UPS will expand its outreach to customers by strengthening local sales and marketing efforts. The restructuring will eliminate approximately 1,800 management and administrative positions across the country. Normal attrition will minimize some job displacements, and approximately 1,100 employees will be offered a voluntary separation package. In addition, other impacted employees will receive severance benefits and access to support programs based on length of service." [Emphasis Added] (UPS Press Release) The cuts are severe and the highlights above illustrate that the cuts will are deep and

INSPECTOR GENERAL UNITED STATES POSTAL SERVICE most likely will have significant one time costs for UPS." See the Wall Street Journal.

The following 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 a report, please contact Agapi Doulaveris at 703.248.2286.

Status Report on the Postal Service's Network Rationalization Initiatives (Report Number EN-AR-10-001). Between fiscal years 2005 and 2009, the Postal Service made progress in its effort to streamline its mail processing and transportation infrastructure; however, management has been unable to adjust resources to fully offset mail volume declines, resulting in a deteriorating financial condition.

Supplier Risk Mitigation in the Supplies Portfolio (Report Number CA-AR-10-

<u>003</u>). For the two Category Management Centers (CMC) identified as having a limited supplier base risk, we determined that CMC personnel can be more proactive in identifying and mitigating potential risks. Specifically, the audit found that Commodity Strategy Sourcing Plans were not supported with documentation or detailed analysis, CMC personnel did not identify limited supplier base as a risk for Information Technology (IT mainframes, and CMC personnel did not conduct analyses of suppliers' financial health).

Transport Topics has reported that "UPS Inc. said Friday its fourth-quarter earnings will exceed an earlier forecast and that it plans to cut about 1,800 management and administrative positions. Earning will be 73 cents to 75 cents per share, up from a previously estimated 58 to 65 cents, UPS said in a statement. Effective in April, UPS will cut the number of its U.S. regions to three from five and its domestic districts to 20, from 46. The company said it would "expand its outreach to customers by strengthening local sales and marketing efforts." "The stronger earnings stem from better-than-expected results in both domestic and international operations and savings through cost management," said Kurt Kuehn, UPS' chief financial officer. "However, we still anticipate a gradual economic recovery with improvement more evident as 2010 progresses," he said in a statement."

The Courier has asked: "Do you know where your mail is processed? Do you care?Some people apparently do. About 400 residents turned out for a meeting Wednesday in Lima, most of them against the proposed closing of a U.S. Postal Service processing and distribution plant there....Pricing snail mail much higher than it already is would likely mean one thing: even less use of postal services by the general public. That could translate to even more plant closings and more lost postal jobs in the future."

As <u>Training Magazine</u> noted: "Once upon a time, a direct marketer would come up with an offer for a particular market segment, work with a list provider to focus on likely recipients, have its advertising agency develop a package for the offer, send the package off to its printer, and then mail it. That was then. Nowadays, a direct marketing offer can reach its potential customers through print mailings, e-mail blasts, Website offerings, television advertising, Internet promotions, social media, and the rest of the traditional and new media channels. Indeed, the supply chain itself now extends beyond mailing to include order taking, fulfillment, and customer service."

Swissinfo.ch has reported that "A series of resignations at the top of Swiss Post has revealed uncertainty at its highest levels over the future of the postal service and its plans to expand abroad. Two board members and the CEO have all left Swiss Post in recent weeks, mainly in disagreement over the group's business strategy. "

Realdeal.hu has reported that "Magyar Posta yesterday sacked 29 postal workers with immediate effect for organising an unlawful strike and admonished all the 120 staff members who took part in the strike."

The <u>Azerbaijan Business Center</u> has reported that "Azerbaijani postal operator Azerpocht LLC expects till the end of this months reception of the license for rendering separate bank services that became possible summarizing the results of Financial Sector Development Project (FSDP), which is implemented by the Azerbaijani government jointly with World Bank (WB)."

The <u>San Antonio Express-News</u> has reported that "The U.S. Postal Service needs to cut costs and restructure its operations to reflect the Digital Age. So said a report released over the summer by the Government Accountability Office that projected a mounting debt and cash shortfall for the Postal Service. Cutting costs means eliminating underutilized facilities and, presumably, some of the personnel who go with them. In August, the Postal Regulatory Commission announced 700 post office branches across the country — including 10 in San Antonio — were being studied for potential closure or consolidation. The downtown post office on Alamo Plaza was not on the San Antonio closure list. Yet last week, without any public input, the Postal Service announced that after 75 years, the downtown post office would cease operation in the Hipolito F. Garcia Federal Building on East Houston Street. For how long? Customers weren't told. The explanation offered by Postal Service officials was that it would be unsafe to remain in the building during an impending \$61.3 million renovation. But that explanation raises more questions than it answers."

The <u>Sarasota HeraldTribune</u> has reported that "A U.S. Postal Service clerk in Punta Gorda has been charged with stealing and using two customers' credit cards."

The Review has reported that "The Hancock County Commission unanimously voted Thursday to sign a resolution against the U.S. Postal Service's intent to close the Wheeling office and move the office's operations to Pittsburgh. The resolution indicated the move would have a negative impact on the area, causing both loss of jobs and a delay in mail delivery. The resolution also indicated the Postal Service consider expanding the Wheeling office rather than moving it to Pittsburgh. Commissioner Jeff Davis, who read the resolution, encouraged residents of Hancock County to write or call their representatives to voice their opposition of the move."

Section 64 Section 1997 Section

<u>Board of GovernorsMeeting</u>. Times And Dates: 3:30 p.m., Monday, January 11, 2010; and 7:30 a.m., Tuesday, January 12, 2010. Place: Newport Beach, California, at the Fairmont Hotel, 4500 MacArthur Boulevard. Status: (Closed) Matters To Be Considered: Monday, January 11, at 3:30 p.m. (Closed) 1. Strategic Issues. 2. Financial Matters. 3. Pricing. 4. Personnel Matters and Compensation Issues. 5. Governors' Executive Session--Discussion of prior agenda items and Board Governance.

The <u>Bangor Daily News</u> has told its readers, "Don't take it too seriously if the postmaster general resumes his warning that he wants to cut out mail service on Saturday. It could be a replay of what's known as the "Washington Monument syndrome." Postmaster General John E. Potter has been closing postal stations and branches, shortening hours, and reducing the work force. He has repeatedly mentioned eliminating deliveries on Saturday, while leaving post offices and post office boxes open as on other days. In August, Mr. Potter told a congressional subcommittee, "I think that we've reached a breaking point with the recession, and that's why we're seeking to go from six- to five-day delivery." Several members said their constituents wouldn't like that, and Sen. Susan Collins told him, "The Postal Service cannot expect to gain more business, which it desperately needs, if it is reducing service." She was right and could have gone further. Of course the Postal Service is a business, a \$65 billion business, as Mr. Potter calls it, the largest retail presence in America, "with more outlets than McDonald's Wal-Mart, and Starbucks combined." Mr. Potter should take a look at the motto engraved on his Washington headquarters building: "Neither rain, nor sleet, nor snow, nor gloom of night can stay these swift couriers from the completion of their appointed rounds." And add to that: nor difficult economic times."

January 7, 2010

At the Postal Regulatory Commission: <u>Docket No. ACR2009</u>. On December 17, 2009, the Public Representative filed a motion to compel the Postal Service to provide certain estimated rate level adjustments for every market dominant rate.1 The Public Representative seeks estimates that would equate overall Postal Service revenue with overall Postal Service estimated costs and be sufficient to ensure

financial stability of the Postal Service by the end of FY 2011....The Public Representative Motion Requesting Commission to Direct United States Postal Service to Provide Estimates of Rate Adjustments Necessary to Maintain Financial Stability, filed on December 17, 2009, is **denied**."

Posted on the Postal Service's RIBBS web site is its latest report on Merlin performance.

The latest issue of the <u>PostCom Bulletin</u> is available online. In this issue:

- The Congressional Research Service (CRS) released "The Postal Accountability and Enhancement Act: Overview and Issues for Congress" report. This report describes Congress's pursuit of postal reform, and summarizes the major provisions of the new postal reform law. The report also suggests PAEA-related oversight issues for Congress.
- The Postal Service published its unaudited November results with the Postal Regulatory Commission. USPS lost over \$255 million dollars in November 2009. This loss is in addition to a \$221 million loss for October 2009.
- The Postal Accountability and Enhancement Act (PAEA) requires the Postal Service to submit an Annual Compliance Report (ACR) 90 days after the close of its fiscal year, which runs from October 1 September 30. The ACR demonstrates that all postal products during fiscal year 2009 comply with all applicable requirements of Title 39.
- In a recent Washington Times, there appears to be a scandalous story about the income of Robert F. Bernstock, President of the Postal Service's competitive shipping services. The scandal here is not Mr. Bernstock's compensation, nor is it his positions on outside board of directors. The scandal here is that if the Postal Service needs a new senior management team to turn it around, it cannot easily hire from the entire executive talent pool available. The compensation limits and Washington political environment severely limits the choices available to the Board of Governors.
- According to postal economist Robert Mitchell in an article written for Deadtree Edition, the surcharge of 7 cents would seem to be an immense overcharge. Aside from suggesting that the Postal Service does not want to make its UAA services available on reasonable terms, it will drive some mailers to leave the Postal Service, perhaps finding that email will work just fine. These mailers will not come back.
- According to the Courier, Express, and Postal Observer, "Unless there is some economic miracle, the Postal Service will have a negative impact on the Federal budget and budget deficit for at least the next three years. The financial challenges of the Postal Service was not recognized in last year's budget and the adjustment to the retiree health care payments were made in such a way that budget scoring was not required prior to passage. This year, the need for adjustments to the retiree health plan payments before the end of at least the next two fiscal years is known prior to the writing of the budget. Therefore, the budget should recognize this fact."
- According to the Courier, Express, and Postal Observer, "A recent editorial by the Washington Times and a columnist in the Los Angeles Times provide illustrations as to how ideological predilections and reporting on a deadline produce more heat and less light about how to solve the problems facing the Postal Service."
- The Courier, Express, and Postal Observer has noted that "in the past year, the USPS has implemented two early retirement incentive programs that in total cut the workforce by less than 25,000 employees. Given potential volume losses of 4-6% of years, these incentive programs could become a bi-annual process. The Postal Service may find greater success in convincing employees to retire with its incentive programs in the future as the economy improves. It will still face challenges as incentives will not be equally attractive in all regions with the differences reflecting the strength of the local economy and the strength of ties employees have to their local community."
- The Courier, Express, and Postal Observer has noted that Congress has instructed OMB, OPM and the Postal Service to "develop a fiscally responsible legislative proposal, for consideration by the appropriate congressional committees, that would grant a limited measure of relief from the PAEA requirements to pre-fund retiree health benefits."

- The U. S. Postal Service Office of the Inspector General (OIG) last week published the results of its FY 2009 audit of USPS' Business Mail Entry Units (BMEUs). Although the OIG said that generally internal controls for financial transactions were in place and effective, "a significant deficiency continues to exist related to the acceptance of mail."
- Rag Content discusses the cost dilemma the Postal Service faces in offering Standard Mail incentives with the recent Annual Compliance Report being published and offers a few options for future sales.
- Comments due Jan 13 on USPS' proposed flats deflection rules. Bernstock moonlighting (?) for cash from corporations. E-readers: publishing's digital life preserver? Postal Service isn't perfect, but is there a better answer? A closer look at postal industry. FedEx rolls out new ad campaign. Postal price inflation=zilch. National Postal Forum -- register now!! New post on the Postal Journal. What?? Not using the Postal Service? USPS career staffing drops below 600,000.
- Updates on dockets at the Postal Regulatory Commission.
- An update on DMM Advisory notices issued by the U.S. Postal Service.
- Updates on OIG reports.
- 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? <u>Send us by email</u> your name, company, company title, postal and email address. Get a chance to see what you've been missing.



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AllAfrica.com has reported that "The Ministry of Posts and Telecommunications has signed a communiqué informing the public about illegal operators in the sector. The Minister of Posts and Telecommunications, Jean Pierre Biyiti bi Essam has signed a communiqué drawing the public's attention to the existence of an illegal postal service in Yaounde named "Poste Urbaine du Cameroun". The postal service which does not have the legal right to operate is also using the brand name of the public postal operator, CAMPOST. Given the dubious manner in which people's items are handled during posting, the Ministry of Posts and Telecommunications has taken steps to inform the public against those operating in illegality so as to avoid confusion and public disorder."

According to the <u>New York Daily News</u>, "Long lines aren't the only problem with Brooklyn's post offices: Now, the U.S. Postal Service can't even get an address right. Tens of thousands of full-color post cards from postal officials, directing Mill Basin customers to a grocery store with a USPS center to mail letters and buy stamps over the holidays, listed the wrong address."

CSR Europe has noted that "The postal industry has became the first services sector to set a global emissions target for its industry when the International Post Corporation (IPC), which represents the world's leading post operators, announced that 20 member postal operators will work together to collectively reduce their carbon emissions by 20% by 2020, based on 2008 levels."

The <u>Cheraw Chronicle</u> has reported that "A new twist on an old scam is showing up in email boxes in South Carolina allegedly claiming to be sent by the US Postal Inspection Service in New York. The United States Postal Service is keeping an eye on the scam that has been circulating for some time now, according to Harry Spratlin, U.S. Postal District Communications Coordinator-Greater S.C. District. According to a recent report, the fraudulent email claims to be from the U.S. Postal Inspection Service. The message of the email claims to supposedly be from Chief Postal Inspector, William R. Gilligan, notifies the recipient that a "parcel from DHL courier service has been stopped for security reasons" and "Our scanning system has detected that your parcel contains a confirmable ATM card to the tune of \$1.5 million dollars." **WMBB** has reported that "The proposal to move Panama City outgoing mail operations to Pensacola continues to raise concerns. U.S. Postal Service employees say while official have called the proposed changes "transparent" they could affect postal customers more than expected. "If they can save a half a million dollars and have minimal impact on customer service they've got to look at that," says Joseph Breckenridge, USPS Communications. Breckenridge says the proposal will save them money. Others disagree."

According to the <u>Index-Journal</u>, "A relatively small crowd at Wednesday night's community meeting regarding the possible closure of the South Greenwood Post Office had some very big concerns and a lot to say."

A writer for the <u>Cebu Daily News</u> has said that "If the Arroyo government is so hell-bent on connecting the archipelago through the establishment of roll-on-roll off port facilities, why has the postal system, which connects people across the globe, been left in the doldrums?"

DM News has reported that "One-third of the respondents to a Pitney Bowes Business Insight survey said they use manual updating procedures when mail is returned to them from the National Change of Address or Address Change Service methods due to incorrect recipient addresses. The Pitney Bowes unit released the findings on January 4, the same date that companies whose mailings are not compliant with the US Postal Service's Move Update Standard will first be billed an additional 7 cents per assessed piece. The study queried more than 50 executives and IT managers who conduct high-volume mailings in the insurance, finance, communications and utility industries."

<u>MyBroadband.co.za</u> has reported that "PushPlay temporarily suspended their online DVD operations in Gauteng due to poor postal services."

Stabroek News has reported that "President of the Guyana Postal and Telecommunications Workers Union (GPTWU) Harold Shepherd said yesterday that the union has been invited by the Chief Labour Officer Yoganand Persaud to commence conciliation talks today with the management of the Post Office Corporation. The meeting is set for 1:30 pm at the Labour Ministry. The move is a welcome one Shepherd said, since the union had written to Persaud on Monday seeking such an intervention. According to Shepherd, there have been breaches of the Termination of Employment and Severance Pay Act on the Part of the Post Office's management since the workers were fired without notifying the Ministry of Labour at least one month before."

<u>Deadtree Edition</u> has noted that "Running a national lottery could help the U.S. Postal Service close its multibillion-dollar budget gap, according to a Postal Regulatory Commission official."

January 6, 2010

The Baltic Course has reported that "Estonian state-owned postal company Eesti Post announced on Tuesday that due to several factors, it received several times more packages from countries outside the EU than usual at the end of last year and is now jammed up, causing delays in delivery."

The <u>Business Journal</u> has reported that "New Breed Logistics said this week it will close a Greensboro facility used for processing postal service equipment, laying off about 60 employees. The company's 130,000-square-foot Mail Transport Equipment Service Center will close by March, according to a statement from the High Point-based firm. The facility is in a leased building on Gallimore Dairy Road, just south of Interstate 40 and Piedmont Triad International Airport. Joe Hauck, New Breed's vice president of marketing and communications, said the center serves most of North Carolina and southern Virginia, and is used to collect U.S. Postal Service equipment, such as mailbags, mail trays and hampers, which it then sorts, repairs and sends back out for service."

According to <u>Rag Content</u>, "The Postal Service has not introduced a new sale or incentive program since October 1, 2009. Although a "winter" sale was discussed with various mailing groups, nothing was offered or taken before the Commission as we enter the winter season. The winter sale has turned into a spring sale, with only vague ideas being shared."

The <u>Courier, Express, and Postal Observer</u> has told its readers that "Yesterday the Postal Regulatory Commission established Docket No. ACR2009, "to consider matters raised by the Postal Service's FY 2009 Annual Compliance Report." The specific request of the PRC, and in particular its reference to those sections of the U.S. Code relating to ratemaking requirements and objectives that remained virtually unchanged with the passage of the PAEA, suggests that its review of the Annual Compliance Report could become the equivalent of a "rate case light." The PRC asked the Postal Service and others parties to comment on whether the Annual Compliance Report shows that postal rates and fees comply with the pricing requirements and objectives. While the PRC cannot force the Postal Service to change its rates to be in compliance, it could use this proceeding to determine that certain rates are not. If the PRC draws the conclusion that certain rates are not in compliance, it will base it on nearly 40 years of ratemaking precedence and the pricing framework developed in what Congress saw as a failed ratemaking process in its decision to pass the PAEA."

ChannelNewsAsia has reported that "SingPost has apologised for the "acts of vandalism" on its mailboxes recently. At a news conference to announce a sponsorship deal with the Youth Olympic Games, SingPost said it had commissioned the graffiti as a viral marketing effort. The mailbox along Orchard Road appears to have been the target of vandals. But that's not the case. It was one of six spray-painted during the New Year period by SingPost itself, done for its Singapore Youth Olympic Games sponsorship."

Key.aero has reported that "The Dayton Daily News says that DHL Express is to donate its Wilmington Air Park airport in Ohio, USA for redevelopment and use as an airport and commerce park. Wilmington Air Park was used as a freight hub by the company until closure last year, resulting in the loss of 8,000 jobs. Under the donation, DHL would hand over the 1,500 acre site to the Clinton County Port Authority the airport has two runways, a control tower, dozens of buildings and more than 1 million square feet of cargo-sorting space valued at over \$62 million.

The Empire State News has reported that "The Postal Service in the Albany District remains in close contact with the State Comptroller's office to resolve the issue of misdirected pension checks in New York State. They are checks that were mailed through the Comptroller's office on December 30 and accepted for initial processing through the mail distribution center in Albany on that date. The Postal Service's work throughout the day shows progress in the delivery of checks to many locations across the state Tuesday, the agency said. "We are focusing attention on checks in communities that still report outstanding checks as of this afternoon," a statement said. "Our internal review will continue, with support from the Comptroller's office, until we can account for the complete mailing."

According to the <u>Livingston Daily</u>, "The post office in Hamburg Township will be put into "temporary emergency suspension" as of Monday, according to Ed Moore, manager of communications for Detroit district of the United States Postal Service."

Swissinfo.ch has noted that "he resignation of Wolfgang Werlé as a director of the Swiss postal authorities has caused more turmoil within the government-owned organisation. Werlé is the third member of the top brass to hand in his resignation in the past month. Board member Rolf Hug stepped down on December 22, just eight days after chief executive Michel Kunz was replaced."

<u>CEP News</u> (Courier-Express-Postal), published by the <u>MRU Consultancy</u>, has reported that:

Only five days after the sudden leaving of Swiss Post CEO Kunz (CEP-News 51,52/09) Rudolf Hug, member of the administrative board, stepped down.
 Deutsche Post plans an expansion of its low-cost subsidiary First Mail which is

operating in the German letter mail market.

The Federal Council of Switzerland, as the owner of Swiss Post, has defined the basic strategic tagets for the years from 2010 to 2013.

Deutsche Post's exemption from VAT will be largely removed.

ODHL retreats from the domestic express and parcel business in important European markets.

FedEx still has to cope with decrasing revenues and earnings.

British DX Group Ltd (revenue 2008: 192.8m euros) intends to strengthen its parcel services business.

UPS abandons its special transport services in Germany.

The saleries of the 37,000 employees of Swiss Post will increase by 0.7% this year. The French parliament approved the incorporation of La Poste two days before Christmas.

Japan Post confirmed plans to acquire Nippon Express's domestic parcel business. UPS is modernising two of its hubs in Illinois with the help of a public business investment package.

The Romanian post won't be privatised, at least while the current Communications and IT minister Gabriel Sandu is in office.



The <u>MRU</u>, 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.<u>To learn more about the stories reported above, contact CEP</u><u>News.</u> (We appreciate the courtesy extended by CEP News to help whet your appetite for more of what CEP offers.)



Postal Regulatory Commission NOTICES New Postal Product , 881 [E9–31415] [TEXT] [PDF]

Today from <u>Hellmail</u>:

- DHL Drops UK Inland Parcel Business
- Winter Weather Slows Down Postal Deliveries
- Post Office Sees 2000 ATM Machines
- Royal Mail Bike Phase-Out Faces Criticism

According to the <u>Star Tribune</u>, "Seven months ago, Art Tilson suffered a fatal heart attack and collapsed on the floor of his workplace, the immense mail processing center by the river in downtown Minneapolis. Since then, Tilson's co-workers have urged the post office to install an automated external defibrillator (AED), an increasingly popular device that jump-starts the heart. They even found a group willing to donate the \$2,000 device. They don't know whether it would have saved Tilson's life, but they think it would help protect a workforce filled with heart-attack candidates. "All I'd like to see is that when the next guy goes down, there's a defibrillator there," said postal worker Bruce Johnson. So far, however, the workers have failed to jolt the U.S. Postal Service into action."

The <u>Courier Post</u> has reported that "Some 550 workers at a mail facility facing a shutdown in Logan have begun the process of transferring to other jobs with the U.S. Postal Service, a union official said. Separately, a federal judge has set a Jan. 13 court date for a union bid to block the closing of the Gloucester County plant. U.S. District Judge Noel Hillman in Camden is to hear the union's request, said Michael Gallagher, a regional official with the American Postal Workers Union."

WMBB has reported that "The Bay County American Postal Workers Union holds an emergency meeting Tuesday evening to discuss the United States Postal Service's proposal to close a Bay County post office outgoing mail sorting facility. The facility is located within the Sherman Avenue post office branch, and the proposal would move all outgoing mail sorting to Pensacola."

The <u>News Herald</u> has reported that "Postal workers here say the government's plan to move some mail operations 100 miles west will bog down delivery and punish locals. They're not sure their union can stop it."

WENY has reported that "Elmira postal workers get word all the mail sorting machines at the Sullivan Street Facility will be moved out by next month. But the local union president says his fight to keep jobs in Elmira was worth it. A U.S. Postal Service spokeswoman says no date has been set, but it could happen during the long president's day weekend."

WTEN has reported that "The United States Postal Service has a new message for many retired state workers - your pension check is in the mail. A glitch at the post office caused 60,000 checks mailed last week to become lost. Retirees in albany should have gotten theirs, some people in Central New York are starting to get theirs and western New Yorkers are still waiting. A spokeswoman for the Postal Service said in a statement Monday, "We are putting a lot of attention into resolving this because we know how it puts people in harms way." See also the <u>New York Daily News</u> and <u>WHAM</u>.

The <u>Journal of Commerce</u> has reported that "DHL sold its domestic parcel service in the United Kingdom to the Home Delivery Network, the company said Tuesday, extending DHL's move toward international and logistics services. HDN, which specializes in business-to-consumer parcel delivery, will take on all employees and facilities of the business by the end of the first quarter, DHL said, and the company will keep using the DHL brand for a short time as part of a preferred supplier relationship. DHL said the sale will allow the company to focus more closely on international express services and its freight business." See also <u>Transport Intelligence</u>.

January 5, 2010

At the Postal Regulatory Commission:

Docket No. ACR2009. Section 3652 of title 39 of the United States Code requires the Postal Service to file several reports with the Postal Regulatory Commission. Section 3652(a)(1) requires...that the Postal Service's annual report be sufficiently detailed to allow the Commission and the public to determine whether the rates charged and the service provided comply with all of the requirements of title 39. The Commission is required under 39 U.S.C. 3653 to provide interested persons with an opportunity to comment on these reports and to appoint a Public Representative to represent the interests of the general public. The Commission hereby solicits public comment on these reports. Comments by interested persons are due on or before February 1, 2010. Reply comments are due on or before February 16, 2010.

ISRIA has reported that "The Cabinet today discussed on the issue of instituting postal banking in the Maldives and decided to do a feasibility study. A ministerial sub-committee to will do further study on the issue. The government believes postal banking will be a convenient and secure way of saving money and encourage saving. It will also provide a convenient method of managing and saving the allowances of pensioners."

The <u>Columbia Daily Herald</u> has reported that "Peter Rendina, a spokesman for the U.S. Postal Inspection Service, said there have been more than 33,000 reports of suspicious powders and liquids in the mail since the 2001 terror attacks and an anthrax scare that followed."

Business Times has reported that "the collaboration that Pos Malaysia has with Telco and Post is only for the company to act as the agent for PosLaju. Telco and Post Sdn Bhd is a franchise retail brand fully owned by Inteleca Group Bhd and the collaboration between the two companies enables all Telco and Post outlets to offer courier services under the PosLaju brand name and to bear PosLaju logo on their light box."

WIVB has reported that "State retirees are losing their patience as many are finding out that as many as 60,000 state retirement checks have been lost in the mail."

The <u>Journal of Commerce</u> has reported that "De Post-La Poste, Belgium's national postal operator, acquired a majority stake in MSI Worldwide Mail, a U.S.-based mail and parcel delivery company."

West Virginia MetroNews has reported that "According to a study by the United States Postal Service, the Wheeling Processing and Distribution Facility should be consolidated with the Pittsburgh Processing Center."

The <u>U.S. Postal Service is prequalifying best-in-class providers of Branded Promotional Products</u> for internal use only. Prequalified organizations will be eligible to compete for Postal purchases of Branded Promotional Products for internal use during the prequalification period.

Press Release: Mail.dat & Mail.XML: Ride the Wave of Electronic Communication or Get Crushed by It! Download your white paper on "<u>Mail.dat & Mail.XML: Ride the Wave of Electronic Communication or Get Crushed by It!</u>" and learn how Mail.dat & Mail.XML work together for eDocs, why you need to implement eDocs to stay competitive, and how you can benefit from fully utilizing the data.

DMM Advisory: January DMM Update. Postal Explorer (<u>pe.usps.com</u>) is your source for up-todate mailing standards. The Domestic Mail Manual is fully searchable on Postal Explorer and features flyout menus, cross-reference links, and an extensive subject index. Today we updated our mailing standards to capture the following changes:

• Pricing and Mailing Standards Changes for Shipping Services

We revised mailing standards and prices throughout the DMM to support the pricing change recommended by the Postal Regulatory Commission and approved by the Governors of the United States Postal Service. The new prices and standards are effective January 4, 2010 and are for the following Shipping Services; Express Mail, Priority Mail, Parcel Select, and Parcel Return Service.

• Permit Imprint with Extra Services

We revised 604.5.3.7 and 604.5.3.8 to clarify the permit imprint class markings for Standard Mail and Package Services mail items, and to allow abbreviated phrasing when using permit imprint postage with extra services.

• Products Mailable at Nonprofit Standard Mail Prices

We revised 703.1.6.11 to meet Internal Revenue Code restrictions for products that are mailed at the Nonprofit Standard Mail prices that meet at least one of three exceptions.

- **Expanded Option for Hardcopy and Electronic Return Receipt** We revised 503.6.2.1 to allow a combined purchase of hardcopy and electronic return receipt service.
- Priority Mail Commercial Base and Commercial Plus Prices Expanded to Merchandise Return Service Priority Mail Items We revised 402.2.1a., 423.1.0, 424.1.1, 425.2.2, and 507.11.1.5, to allow Priority Mail commercial base and commercial plus prices for permit holders who use Priority Mail service for Merchandise Return Service (MRS) mailpieces.
- Stamped Mail over 13 Ounces Must be Presented at a Retail Service Counter We revised 116.1.0, 126.1.0, 156.1.0, 176.1.0, 186.1.0, 426.1.0, 507.6.0, 601.11.0, and 703.2.0 to require all mailpieces weighing more than 13 ounces bearing only postage stamps be presented to a Postal Service employee at a retail service counter in a Post Office.
- Permit Imprint Postage Payment Allowed for Express Mail Using the Electronic Verification System (eVS)

We revised 413.1.0 and 414.1.0 to clarify that Express Mail commercial base and commercial plus prices are available to permit imprint customers using the Electronic Verification System (eVS) program to document and pay postage.

CNN Money has reported that "Lime Energy announced today it has received three contracts from the United States Postal Service (USPS) that give the company the opportunity to develop and implement energy efficiency projects for USPS facilities on the east coast."

The <u>Washington Post</u> has reported that "The Obama administration called Monday for federal regulators to provide more spectrum for wireless high-speed Internet services, saying mobile broadband would bring competition to DSL, cable and fiber broadband providers." *[EdNote: Unfortunately, the Obama Administration has had bupkus to say about the postal side of the nation's communication and business transactional infrastructure.]*

According to the Jackson Sun, the "Public should weigh in to protest post office move."

The Courier has reported that "Union and business leaders fear mail delivery will be slower and more expensive if the Postal Service closes its Lima Processing and Distribution Facility. To save costs, the Postal Service is considering closing the center, which sorts incoming and outgoing mail for all ZIP codes beginning with 458, which includes Hancock, Hardin, Allen, Putnam, Auglaize, Paulding, Van Wert and Mercer counties, said Postal Service spokesman David Walton in Cincinnati. Taking up the slack would be the Toledo Processing and Distribution Facility. Neither the pace of delivery nor postage rates would be affected if the Lima center closes, Walton said."

From <u>Officialwire</u>: "This report delves into the development of China express delivery industry and the competition in major regional markets. This report analyzes the development, operation, strategies, layout in China and the latest progress of major express companies (including UPS, FedEx, DHL, TNT, EMS, SF-express, etc.). On this basis, the report forecasts the future development trends of China express delivery industry, so that enterprises can understand Chinese express delivery market better, and the report puts some suggestions on the operation and investment decision-making for reference."

From the Congressional Research Service: "The Postal Accountability and Enhancement Act: Overview and Issues for Congress."

NJ.com has reported that "One of two former U.S. Postal Service workers who admitted stealing more than 500 employee incentive gift cards worth a total of \$24,675 was ordered today to serve 180 days in the Middlesex County jail and repay his half of the theft."

Hellmail has reported that "The Royal Mail is facing criticism over its decision to gradually phase out bicycles in favour of shared vehicles. A petition on the No 10 website urges the Prime Minister to put pressure on the Royal Mail to rethink its plan to reduce cycles and put postal workers in road vehicles."

From <u>PRMinds</u>: "With the Belgian express and parcels market feeling the effects of the economic downturn the competitive landscape changed considerably. This Benchmarking report includes market shares for the leading players in Belgium, as well as across all of the key market segmentations such as Service level (Express - Parcel, Destination (Domestic - International) and Recipient (B2B - B2C)."

News from Postal Technology International: (The latest issue of the magazine is now available online.)

- Poste Italiane and EIB sign Euro 200 million contract
- New plans for Japan Post
- <u>New Australia Post MD and CEO appointed</u>
- Post Office installs 2,000th free ATM
- <u>USPS provides customers with solutions for gift returns</u>
- <u>Royal Mail Group results for the first half of 2009</u>



Postal Regulatory CommissionNOTICESNew Postal Product ,471-473 [E9-31361]Fostal ServicePROPOSED RULESRestricting the Mailing of Replica or Inert Explosive Devices ,282-283 [E9-31218]ITEXT [PDF]

The Ledger-Enquirer has reported that "Mail sent from Columbus could soon be sorted in Macon. The U.S. Postal Service said it could save nearly \$1 million a year if outgoing mail from the Columbus mail processing center is transferred to Macon's processing and distribution center, which handles incoming and outgoing mail. The Postal Service said eight jobs would be lost in Columbus. It was not clear Monday how many jobs might be added or transferred to Macon, or what would happen to workers in Columbus. Last year, the Postal Service decided to close out a similar facility in Athens and move the work to a metro Atlanta facility. The agency is also studying whether it should close an outgoing mail facility in Atlanta itself, which could also move to the metro Atlanta site."

WBKO has reported that the "Public Expresses Concern Over Possible Move."

Straits Times has reported that "his penchant for innovation has helped transform Singapore Post (SingPost) from a straightforward postal company to a key regional provider of mail, logistics and retail solutions. But after slightly more than two years at the helm, SingPost group chief executive Wilson Tan,

52, will step down on April 3 to pursue other opportunities."

At the Postal Regulatory Commission: The Postal Regulatory Commission has posted on its site communications from the offices of the <u>Honorable Dennis Kucinich</u> concerning procedures governing the closure and consolidation of postal facilities.

January 4, 2010

The public is invited to attend the open session of the monthly meeting of the <u>Postal Regulatory</u> <u>Commission</u> at 11:00 a.m., January 6, 2010, at Commission Headquarters, 901 New York Ave., NW, Suite 200.

From <u>PRNewswire</u>: "Apple Computer's App Store now offers a new free U.S. Postal Service application for iPhone and iPod touch mobile digital devices. The new USPS Mobile application takes advantage of Global Positioning Satellite (GPS) capabilities, using the Locator function to show Post Offices, Automated Postal Centers and Collection Boxes in closest proximity to the user. Maps and directions -- driving, walking or mass transit -- to the closest location also are provided."

According to <u>Advertising Age</u>, "Record sales for the Amazon's Kindle and print publishers' hopes for subscription dollars make the segment one of the hotter sectors at this year's CES. The one to watch for will come from Plastic Logic, which is using the show to introduce its Que reader, which promises newspaper and magazine publishers a better share of revenue and more subscriber information than the Kindle. Others in the e-reader fray include Entourage Systems, which will show off a two-screened device that combines an e-reader and a netbook, not to mention Aluratek's Libre, the Astak EZ Reader, Booken's Cybook Opus, Interead's Cool-er, and the Western Graphics PocketBook."

Skiff, LLC and Sprint today announced that they will preview the Skiff Reader, the first e-reader optimized for newspaper and magazine content, at the 2010 International Consumer Electronics Show in Las Vegas later this week. The Skiff Reader, the initial dedicated device to integrate the upcoming Skiff e-reading service, is remarkably sleek and easy to use. At just over a quarter-inch in overall height, the device is the thinnest e-reader announced to date. It features the largest and highest-resolution electronic-paper display yet unveiled in a consumer device, at 11.5" in size (measured diagonally) and a resolution of 1200 x 1600 pixels (UXGA). A full touchscreen enables users to intuitively navigate and engage with the newspapers, magazines, books and other digital content they purchase through the Skiff Store, as well as personal and work documents. The device weighs just over one pound and lasts over a week of average use between charges. *[EdNote: THIS will most definitely set a new course for book and magazine publishing.]*

The <u>Courier, Express, and Postal Observer</u> has noted that "HR 3288, an appropriations bill covering the Departments of Transportation, Housing and Urban Development and related agencies, contains specific instructions to the Postal Service, the Postal Regulatory Commission, Office of Personnel Management (OPM), the Office of Management and Budget (OMB), and the Government Accountability Office (GAO). First, OMB, OPM and thethe Postal Service are directed to "develop a fiscally responsible legislative proposal, for consideration by the appropriate congressional committees, that would grant a limited measure of relief from the PAEA requirements to pre-fund retiree health benefits. The second directs the Government Accountability Office to update its previous studies regarding Postal Service initiatives to realign its mail processing network, including proposed closures or consolidations of area mail processing facilities, and to report to the Committees on Appropriations and other appropriate congressional

committees not later than 6 months after enactment of this Act."



http://blog.uspsoig.gov/.

The latest blog entry has been posted today on the U.S. Postal Service Office of Inspector General's Internet site "<u>Pushing the Envelope</u>." The public, mailers, postal employees, and other stakeholders are invited to weigh in on the online discussions taking place. To view the site, visit

• **Pricing and Price Caps.** What do you think about the price cap given the Postal Service's current financial condition?

You can visit Office of Inspector General's public website at: <u>www.uspsoig.gov</u>. You can also follow us on Twitter at: <u>http://twitter.com/OIGUSPS</u>. If you have additional questions, please contact Communication and Work Life Director Agapi Doulaveris at 703.248.2286.

From the Postal Service: "Effective immediately, current data updates to the NCOALink Product shall be installed no later than five (5) business days after receipt. The appropriate license performance requirements have been updated and posted to RIBBS to reflect this change."

The <u>Wall Street Journal</u> has reported that "Ayear-end flurry of ad spending helped moderate steep declines at some newspapers and magazines, and fueled an uptick at others, raising hopes for a recovery in 2010. Still, following a brutal 2009, when scores of publications closed or made drastic cutbacks, publishers remain wary of declaring an ad rebound as marketers selectively reopen their wallets."

The Washington Times has reported that "The financially troubled U.S. Postal Service pays Robert F. Bernstock a \$232,500 salary to oversee its shipping and mailing division, but a little-known hiring provision allows the executive to earn even more money from outside corporate sources. Mr. Bernstock took home more than \$270,000 in cash and other compensation combined in fiscal 2008 by serving on the corporate boards for weight-loss giant Nutrisystem Inc. and Pantry Inc., which runs the Kangaroo Express convenience store chain, according to U.S. Securities and Exchange Commission filings. Postal officials agreed to let Mr. Bernstock retain his paid outside corporate positions even as he works full time for the Postal Service under a special condition of his June 2008 hiring. In addition, the Postal Service further boosted Mr. Bernstock's finances by awarding him an \$85,000 hiring bonus in fiscal 2008 and an \$85,000 retention bonus for fiscal 2009, according to a recent postal regulatory filing."

The Messenger Online has reported that "Georgia's breakaway region of Abkhazia has switched to Russian international phone codes from January 1, 2010, news agency Interfax has reported. "For a month and a half Russian codes were being used parallel to the Georgian ones as a trial, but from New Year the republic has transferred to the exclusive use of Russian dialling codes," the de facto General Director of Abkhazsvyaz, Eduard Pilia, has told Interfax. The International Postal Union has not recognised the Russian codes in the de facto Abkhazia. The Georgian National Communication Commission has told Interfax that the IPU has sent a letter to the Georgian side stating that the organisation cannot interfere in a dispute between two sovereign states (Georgia and Russia) but it recognises Georgia's territorial integrity and in the annual code book it issues Abkhazia will have the same Georgian codes as previously."

Realdeal.hu has reported that "State-owned Hungarian postal company Magyar Posta will increase its prices by an average 4.9pc from January. The costs of sending a letter under 30 grammes will increase to HUF 80 from HUF 75, and to HUF 110 from HUF 105 for letters over 50 gramme."

Zawya has reported that "Microsoft announced that Saudi Post, the official postal service of Saudi Arabia has opted for the Microsoft Operations Framework (MOF) to improve business efficiency and lower overall operating costs. The MOF is currently being used for service desk improvements and the operation of their Data Center - Network Operations Center (NOC) that enables enhanced communication between Saudi Post and its customers. In addition, the MOF framework has helped Saudi Post increase productivity by 25% and improve first line incident resolution rates from 23% to over 60%."

From <u>PRMinds</u>: "With the German express and parcels market feeling the effects of the economic downturn the competitive landscape changed considerably. This Benchmarking report includes market shares for the leading players in Germany, as well as across all of the key market segmentations such as Service level (Express - Parcel, Destination (Domestic - International) and Recipient (B2B - B2C)."

<u>Include and Directions</u> has reported that "Jordan and the United Arab Emirates UAE will sign a postal money orders agreement between the posts of the two countries, said Director General of Jordan Post Ahmad Obeidat. He added that the proposed deal, which will be finalised in the next few days, would enhance postal cooperation and ease financial transactions through post offices in both countries."

January 3, 2010

According to a guest commentary published by <u>Deadtree Edition</u>, "Despite price caps and promises of a rate freeze, the U.S. Postal Service is about to implement a new form of price gouging that will hit small organizations especially hard."

CaymanNetNews has reported that "The post office reopened Monday after a long holiday weekend with stacks of packages awaiting pick up by postal customers. The Cayman Islands Postal Service received a large number of parcels over the Christmas holidays, officials announced recently, and they urge customers to retrieve them as quickly as possible."

The <u>Retail Bulletin</u> has reported that "DX Group, the postal services company, is considering plans that would allow 90 per cent of the population to collect online purchases at nearby petrol stations and shopping centres 24 hours a day. The move would mean that online orders would be delivered to parcel exchanges, where the goods would be stored in locked boxes until the customer comes to pick them up.DX already operates 350 exchanges in the UK, but they are used mainly for business needs, such as services engineers collecting tools necessary to complete maintenance work."

The <u>Jackson Sun</u> has told its readers: "Here we go again. The U.S. Postal Service is angling to move some of Jackson's postal operations to Memphis. It was a poor idea the last time the Postal Service suggested it, and it is a poor idea today." See also "<u>Proposed move bad for all who use mail</u>."

January 2, 2010

The Nation has reported that "Keeping pace with the changing communication markets, Ministry of Pakistan Postal Services (PPS) has introduced new communication and Information Technology in the country to facilitate its valued customers. Director General Pakistan Post Muhammad Ahmad Mian told APP that the ministry has introduced 100 "small and smart" express centres in the country in 2009 to facilitate their customers."

The <u>Brownsville Herald</u> has noted that the "U.S. Postal Inspection Service [is] watching mail for illegal drugs."

The <u>Wheeling Intelligencer</u> has told its readers that "In one way it is fortunate that the U.S. Postal Service is a government agency, with officials who are sensitive to political concerns. Postal Service executives understand that upsetting too many people is not good for their futures. We encourage local residents to make it clear to the agency that if it goes through with a plan involving the Wheeling Post Office, many people will be very upset. If enough opposition to the plan is heard, the Postal Service will reconsider it. If comparatively few complaints are heard, the plan will move forward. The situation is that simple."

According to <u>The Guardian</u>, "Britain's private postal operators have made substantial inroads into Royal Mail's customer base as a result of the strikes at the end of the year, and any further upheaval will accelerate the process, warns a significant player in the industry."

The <u>Austin Stateman</u> has reported that "Travis County officials reported that between 74,000 and 90,000 voter certificates have been returned by the U.S. Postal Service as undeliverable. County officials estimated that about 14 percent of the certificates were returned as undeliverable because the voter moved and did not update his or her address."

According to the <u>Japan Times</u>, "Internal Affairs and Communications Minister Kazuhiro Haraguchi revealed a plan Friday to reorganize the Japan Post group through a merger between group companies in a move seen as a regression in postal privatization. Streamlining of the group structure would be centered on

a merger between state-owned Japan Post Holdings Co., the holding company for the group, struggling mail and parcel delivery unit Japan Post Service Co. and post office operator Japan Post Network Co., according to Haraguchi. The group's banking and insurance units, Japan Post Bank Co. and Japan Post Insurance Co., will operate under the wing of the merged company as the plan envisions trimming the number of group firms from five to three."

The <u>Wall Street Journal</u> has reported that "The nation's banks will be bombarding customers with new fees and products in 2010 as they try to replace more than \$50 billion in revenue wiped out by new rules that clamp down on certain business practices. One requirement of the Credit Card Act of 2009 is that monthly billing statements will now have to include significantly more information pertaining to the cardholder's terms and conditions, thus increasing the amount of paper, production and **postal** expenses as well as having a greater environmental impact."

According to the <u>Courier, Express, and Postal Observer</u>, "In the next sixty days, President Obama will have two opportunities to lay out administration policy regarding the Postal Service. These opportunities are the State of the Union address and the President's budget for FY2011. Up to now, President Obama has mentioned the Postal Service only to illustrate the fact that private firms can compete with a public health care plan last summer. His comments suggested that the financial problems of the Postal Service were serious enough to generate the attention of the White House. Unless there is some economic miracle, the Postal Service will have a negative impact on the Federal budget and budget deficit for at least the next three years."

January 1, 2010

NewKerala.com has noted that "Hindus have applauded United States Postal Service (USPS) for announcing a stamp to honor Mother Teresa during 2010. Acclaimed Hindu statesman Rajan Zed, in a statement in Nevada (USA) today, said that besides recognizing Nobel Peace Prize winner Mother Teresa, it was an honor for India also as she was citizen of India. Zed, who is president of Universal Society of Hinduism, stressed that USPS should issue a stamp on Diwali to honor the feelings and contributions of about 2.5 million Hindus living in USA and about one billion spread worldwide. It was long overdue, he added."

EAccording to Pitney Bowes' John Campo writing for <u>DM News</u>, "The "great recession" has dealt its share of challenges to the mailing industry, and mailers are hard-pressed to find good news these days. Fortunately, the US Postal Service delivered an early holiday present in December — there will be no increase in first-class postage in 2010. Here are a few ideas to help mailers take advantage of this gift."