

Association for Postal Commerce

1901 N. Fort Myer Dr., Ste 401 * Arlington, VA 22209-1609 * USA * Ph.: +1 703 524 0096 * Fax: +1 703 524 1871

Postal News from February 2012:

February 29, 2012

If the political pundits are correct, there is a high likelihood that both the Senate and the White House will remain in Democratic hands. If that's the case, the 2012 election will do little to change the face, or the challenges it faces today. There is no reason to delay. Congress should get working on postal reform WORK Remember? The reason we PAY members of Congress.

Courier, Express, and Postal Observer: In yesterday's post, I stated that "The Postal Service has been coy about whether it will offer retirement incentives partially because if Congress passes a bill that includes the incentives included in the S.1789, the Postal Service can offer larger incentives than it can under current law and the Postal Service needs the refund of FERS over-payments to cover early retirement incentives." This statement raised some questions from readers that are worth responding to in a full post.

Post & Parcel: Latvian Post's new management board has launched a review of the business ahead of the liberalisation of the country's postal market next year. Ministers appointed a new three-person board last month, chaired by former head of delivery Māris Kleinbergs, with a view to the arrival of competition in the postal market from January 2013 in compliance with European Union postal laws. Yesterday the Post said its new leadership is now planning a reform process for existing operations and developments that will also involve introduction of new services. The biggest changes will involve a restructuring of the company to avoid duplication of operations and cut out unnecessary costs. Currently, Latvian Post has around 600 sites and 4,600 staff.

From the Federal Register: Postal Regulatory Commission NOTICES Postal Service Pricing Proposals, 12336–12337 [2012–4787] [TEXT] [PDF]

Target Marketing: 2012 Media Usage Survey Extra: Where Are B-to-B Marketers Putting Their Money?



The Postal Service is one of America's great institutions. It connects 150 million households and businesses and is the bedrock infrastructure of the American economy and society. Yet the Postal Service faces powerful and unpredictable

forces. These forces – the economic downturn, the Digital Age, globalization, and statutory and regulatory demands

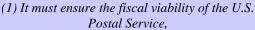
– are fundamentally changing its outlook for the future. Actions are needed by postal management and Congress to assure that all Americans have universal access and the opportunity to take part in the emerging new world. But, what are those actions? Scheduled Guest Contributors:

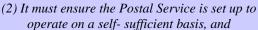
- James Campbell, Attorney and Consultant
- Jeff Colvin, Director Economist, OIG
- Dan Combs, CEO, eCitizen Foundation
- Steve Hutkins, Editor and Administrator, Save the Post Office
- Richard Kielbowicz, Associate Professor, Communication Networks
- Roger Kodat, former Official, Department of the Treasury
- Jessica Lowrance, Executive Vice President, Association for Postal Commerce
- John Payne, CEO, Zumbox
- Alan Robinson, Courier, Express, and Postal Observer
- John Waller, former Director of Office of Accountability and Compliance, Postal Regulatory Commission

The OIG's Inquirey Into Five Elements of A Postal Solution Check it out!



OF COURSE, THEN THERE IS THE ULTIMATE TEST OF ANY POSTAL REFORM MEASURE







Post & Parcel: US mail technology company Pitney Bowes has struck up an important alliance with software giant Adobe to boost the capabilities of its forthcoming digital mail platform, Volly. The partnership should have a number of outcomes, including an improvement in the data analytics that will be available to mailers sending transactional mail digitally through the Volly Secured Delievery System. It will also mean the Volly service can be accessed by consumers on the go, via mobile phone applications and tablet "apps" including for iPhones, iPads and Android systems. And, the company said it will mean a "white box" version of the Volly platform can be implemented by postal operators and banks around the world, to use as their own self-branded digital mail platforms.

<u>NCTechNews</u>: Bell and Howell, a leading provider of solutions and services for paper-based and digital messaging solutions, today announced that 22 employees in the company's postal software group have been certified by the USPS® as Mailpiece Design Professionals (MDP). Employees in the customer support, data services and professional services departments earned the certification.

Business Wire: TransPerfect, the world's largest privately held provider of language services and translation-related technologies, today announced a new relationship with The United States Postal Service (USPS). The USPS has set the goal of providing a complete online experience and more personalized services for its customers whose language preference is Spanish or Simplified Chinese. To this end, the USPS has enlisted TransPerfect services and technologies.

Postal Technology International: With Russia, yet another country has turned to the innovative KePol logistics solution for the delivery and pick-up of parcels. Especially in urban areas such as Moscow and St. Petersburg, KePol machines provide the secure transfer of items on a 24-hour basis. The Pochtomat company is currently revolutionising e-commerce in Russia by providing the safe transfer of goods using KePol machines with LogiBox branding. Pochtomat is the operator of a machine network that gives web shops an opportunity to choose from

various logistics companies to deliver items to their customers. The Russian parcel logistics market is characterised by enormous expansion with annual growth rates of 30 to 35 percent. In 2011 a transaction volume of Euro 8 billion was generated.

The Big Fat Marketing Blog: It must be just sheer callousness or tone-deafness to the sufferings of the less fortunate that would drive anybody to even think of eliminating or raising lower postage rates for nonprofit mailers on the pretext that it might help cut the USPS's deficit. But that's exactly what Rep. Darryl Issa wants to do with his bill H.R. 2309.

<u>Gizmodo</u>: The Earth has a roughly 12 percent chance of experiencing an enormous megaflare erupting from the sun in the next decade. This event could potentially cause trillions of dollars' worth of damage and take up to a decade to recover from. In today's electrically dependent modern world, a similar scale solar storm could have catastrophic consequences. Auroras damage electrical power grids and may contribute to the erosion of oil and gas pipelines. They can disrupt GPS satellites and disturb or even completely black out radio communication on Earth. [EdNote: And we're worried about postal reform?]

Yahoo! Finance: Form 10-K for United Parcel Service Inc

Loyola Phoenix: Congress hasn't helped the Postal Service with its mandates. In 2006, lawmakers required an annual prepayment of retiree health benefits for the next 75 years. Right now, that has USPS paying \$5.5 billion a year through 2016. The Postal Service is unusual among government agencies in that it does not rely on any tax money. But at the rate things are going, it could soon become a burden on taxpayers. For all the benefits of email, there is still mail that has to get shipped the old-fashioned way through the post office, from packages to physical receipts of payments. And although privatized mail carriers such as UPS and FedEx now send a huge percentage of shipments across the nation, they are also two of the biggest customers of USPS, who can ship where they can't. These companies don't ship everywhere; the Postal Service does. If nothing is done, and soon, this vital American institution will fade away.

Ground Report: More than a hundred and fifty years old organisation, India Post is one of the giant departments of the government of India. With around 155000 post offices it is the biggest postal system in the world employing close to 500,000 people. A vast majority of the post offices – approximately 130000 – are located in the country's rural recesses and have been instrumental in letting in fresh air into the hinterland. Most were opened during the period of hectic expansion of postal facilities commencing around half a century ago under the department's commitment to provide to every single person access to basic postal services in a largely poor country at affordable cost – a concept that goes by the name of Universal Service Obligation.

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

Rising profits despite a decreased turnover marked PostNord's business development last vear

Given the significant drop in volumes at PostNord, CEO Lars Idermark announced a change of strategy. In the light of the current development there was a 'great need to restructure PostNord's operations in the next few years'. This would lead to fundamental changes and major investments into production and infrastructure, said Idermark. According to him the logistics business will be expanded - among other things through acquisitions. Overall, PostNord plans to invest between 800 and 900m euros in the next three years.

PostNL was able to stabilise its turnover despite a significant drop in addressed mail volume (-7.2%) last year.

The Danish post has improved its mail collection efficiency by RFID tags.

Pos Malaysia recorded a considerably rise in turnover and significantly higher earnings in the last business year.

According to the responsible authority Posten Norge violated data protection regulations. Thus, Datatilsynet imposed a fine of 13,500 euros on Posten Norge news portal »Posttipp« (28.02) reported. The case in point concerns Posten's address database. The authority stated that the

Norwegian post failed to delete addresses from the database in due time when customers requested so.

■RPost entered the Swiss market announcing an aggressive expansion strategy.

Poste Italiane plans to sell its subsidiary Mistral Air. Besides letter and parcel transports the airline also operates passenger flights to Christian pilgrimage sites like Lourdes in France.

New Zealand Post Group recorded higher revenues and vastly improved results in the first half year of the fiscal year 2011/2012.

Swiss Direct Mail Company AG (DMC AG), a wholly-owned subsidiary of Swiss Post, takes over AWZ AG's delivery business, effective March 1.

Mail order business continued to thrive in Germany in 2011. On Monday the German E-Commerce and Distance Selling Trade Association (bvh) reported that the industry generated a new record revenue of 34bn euros, up 12.2 from the previous year.

Swiss Post launched an online platform for people interested in logistics called 'Logistikpunkt' (logistics point). The platform will provide information on logistics and enable experts to communicate with each other.

The Russian post closed the third consecutive year in the black.



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

EXXLH: U.S. Senator Jon Tester (D-MT) is asking U.S. Postal Service executives to take a pay cut. On Tuesday, he wrote a letter to the Postal Board of Governors saying senior leaders of the Postal Service should forgo some compensation. [Johnny Paycheck:" I I Take this job and shove it. I'm not workin' here no more..... I I"]

February 28, 2012

PC World: Mobile payment technologies are spreading fast, as Google Wallet is already available on NFC-ready Android phones, and Isis Mobile Wallet is coming this summer. But mobile payment technologies may be slow to spread, at least in the U.S., as polls show Americans are suspicious of NFC technology for security reasons, analysts note. Backers of mobile payments, meanwhile, say that NFC technology is more secure than plastic credit cards, and that users would not be held liable for losses through theft or fraud. The skepticism among Americans is at odds with widespread acceptance of using NFC mobile devices in South Korea and Japan and parts of China to pay for train rides and small retail purchases.

Post & Parcel: Mailers in the UK could be facing increases in Royal Mail postal rates above 20%, once Ofcom brings down the company's regulatory price controls. That was the suggestion from Royal Mail chief executive Moya Greene today, as she faced a barrage of questions from a Parliamentary committee about her company's pricing plans.

Post & Parcel: Deutsche Post has completed its withdrawal from financial services, selling its remaining stake in the Postbank business to Deutsche Bank AG.

The Vindicator: U.S. Sen. Sherrod Brown, a Democrat from Avon, on Tuesday called for quick action to save postal service jobs in Youngstown and across Ohio. In a letter to Senate Majority Leader Harry Reid of Nevada, Brown urged the Senate to pass postal reform legislation that would restore the USPS to fiscal solvency. Brown has cosponsored the Postal Service Protection Act, which preserves Saturday mail delivery, restricts the closure of rural and urban post offices, and protects mail processing facilities. The legislation would eliminate the federally-

mandated requirement that the postal service prefund 75 years worth of future retiree health benefits. This mandate costs USPS \$5.5 billion annually and has accumulated 50 years' worth of pension funds to date.

<u>WKBW</u>: Late Monday, New York Congressman Brian Higgins met with United States Postmaster General Patrick Donahoe to make the strongest case to keep the United States Postal Service mail processing facility in Buffalo open. "From the onset the Postmaster has indicated that the closing list was 'fairly set' and over the last several months we've become increasingly frustrated with the lack of justification and transparency in the USPS process," Higgins said in a news release. "But, we don't ever give up on Western New York. Buffalo deserves to be heard and we took our fight to the top."

<u>The Daily Camera</u>: These are busy times for postal inspectors in Colorado. Investigators at the U.S. Postal Inspection Service in the state said that, anecdotally, they have seen a dramatic increase in the amount of marijuana people here are trying to mail out of the state.

Post & Parcel: Finland's Itella Group has announced plans to cut 70 jobs within its Swedish and Danish logistics operations.

Post & Parcel: Guernsey Post is switching its delivery service to a five-day week from the end of next month.

Seattle Weekly: An investigation by the Occupational Safety and Health Administration (OSHA) confirmed allegations that the Postal Service discriminated and retaliated against a Seattle employee who helped a co-worker file a safety complaint. The Department of Labor is now in the rare situation of suing the Postal Service for violating federal whistleblower protection laws.

Courier, Express, and Postal Observer: Looking at the APWU job cuts as a proportion of total APWU jobs by craft shows the extent of the impact on individual employees and provides some idea as to the impact on mail handlers, supervisors, managers and administrative personnel. and The projected job cuts that the Postal Service provided the American Postal Workers Union (APWU) shows that three Areas will see mail processing jobs cut by more than 20% with the Eastern Area seeing job cuts of nearly one-third. Information on maintenance crafts suggests that the consolidation is expected to reduce maintenance employees by oer 80% in two areas with over 56% of maintenance jobs lost nationwide.

Bangor Daily News: The U.S. Postal Service is neither broken nor bankrupt. Rather, a number of important actions need to be taken to enable this invaluable American institution to be saved as well as revitalized. First, President Obama and Congress need to adopt immediate corrective legislation to ensure that the postal service is adequately funded by addressing the real reason for the USPS's financial problems. Proposed cuts only will make the financial problems of the USPS worse, not better. With further cuts in services and resources, the USPS will lose even more customers, creating a continued downward spiral of lost revenue and financial shortfalls. A constructive alternative proposal has been advanced by David C. Williams, inspector general of the USPS

Bangor Daily News: Sen. Susan Collins, R-Maine, celebrated the emergence of the traditional L.L. Bean hunting boot as a hot fashion item Thursday morning during a tour of the company's manufacturing facility in Brunswick.

Hornell Evening Tribune: The planned consolidation of more than 260 U.S. Postal Service processing centers, a plan unveiled last week, is separate from the possible closure of mail retail locations, according to a Postal Service spokesperson. While last Thursday's announcement marks the end of a study regarding consolidating processing centers, examining the shuttering of Postal Service retail offices is continuing.





<u>Courier, Express, and Postal Observer</u>: Last week, the Postal Service provided employees significantly more information regarding the scale of the changes coming to its operations and for many employees whether the facility they now work at will remain open. While this information has provided employees with some indication as to what lies ahead, the details as to what will happen to individual employees remain sketchy.

Online Media Daily: By 2016, nearly 10% of consumer spending will be done online, according to new estimates from Forrester. By then, the research group expects U.S. ecommerce sales to reach \$327 billion -- up from roughly \$200 billion in 2011. Key growth drivers include consumers' greater familiarity with the Web, along with rapid mobile and tablet adoption. Further fueling ecommerce are new shopping formats, including flash sales and subscription models; online loyalty programs; and aggressive promotional offers from Web retailers.

Forbes: USPS loses millions of dollars annually. Any business that loses this much money annually should be restructured, sold or eliminated. Instead of looking at the past, analyzing the trends and identifying strategies for the future, USPS continues to stay in the pony express mode; essentially they "gave" business to United Parcel Service (UPS) and Federal Express. It is critical to (a) understand consumer trends, (b) adapt to consumers' needs, (c) ensure quality standards, and (d) be strategic in the marketplace. The U.S. Postal Service failed in all four areas.

EBBC: Plans to increase the prices of stamps will not lead to an "affordability issue", the Royal Mail chief executive has told MPs. Moya Greene told the Commons' Business Committee that the cost of stamps would have to rise. Regulator Ofcom is consulting on plans to remove price caps on first class stamps and raise the price limit on second class to as much as 55 pence.

DutchNews: Top managers at TNT Express and PostNL received millions of euros in extra payments when the express delivery service was split from postal delivery last year. The money came from the sale of shares during a period when the share value of both companies had fallen, says the Volkskrant, quoting PostNL's annual report for 2011. Peter Bakker, CEO of TNT Post before the split, received nearly €00,000 extra. This, together with other benefits and a golden handshake of €2.6m, brought his pay-off to €4.5m.

ERR News: Estonian residents should think twice before ordering any pills, blue or otherwise, over the internet - nearly 200 such packages have been returned to their senders over the last six months, national postal service Eesti Post has said. According to the Medicinal Products Act, it is forbidden to send and receive any drugs by mail if one party to the transaction is a legal entity, as is the case with online purchases. Private persons, however, are allowed to send up to five unopened packages to one another.

Register-Guard: The U.S. Postal Service has decided to forge ahead with its poorly conceived plan to close mail distribution centers in Springfield, Salem, Pendleton, Hillsboro and Bend and have their work picked up by Portland's facility. U.S. Rep. Peter DeFazio calls Thursday's announcement that the agency will proceed with the closures "outrageous."

Reuters: Dutch mail firm PostNL NV said it raised the value of its stake in TNT Express, the delivery firm which U.S. peer United Parcel Service has offered to buy, reflecting gains in the share price.

February 27, 2012



Committee on Homeland Security and Governmental Affairs: Nomination of Hon. Tony Hammond to be a Commissioner, Postal Regulatory Commission March 06, 2012 10:30AM, Location: SD-342

RFID Journal: Danish postal operator Post Danmark—a branch of PostNord, which provides national postal services to Denmark and Sweden—is employing an RFID system that tracks the movements of postal vehicles and the emptying of mailboxes throughout the entire country, via transponders that both transmit and receive data upon coming within read range of each other. With the solution, provided by Danish startup Commotive, PostNord has

been able to improve the accuracy of its pickup times at each mailbox, as well as optimize carrier routes and reduce the need for carriers and vehicles, according to Christian Østergaard, PostNord's head of business information and production alignment.

Yahoo! Contributor Network: Problems within the United States Postal Service continue, as it struggles with a growing deficit and shrinking business. Desperate to come up with a plan that will salvage the independently funded public service, the Postmaster General, Patrick Donahoe, is calling for fast implementation of the new five-year package. In order for the plan to be successful, an annual reduction in expenditures of \$20 billion by 2015 is an absolute necessity. To accomplish this task, Donahoe has endorsed sweeping changes that effect employees and customers alike. To implement the changes, legislative reform has to come from Washington. The APWU is opposed to the new plan. They advocate that the closing of post offices and mail centers will mean the death of mail service. It is the opinion of the Postal workers Union that modernization, improving services, and offering new products are the keys to success. To date there are no viable economic experts that agree with the assessment of the Union President. There is overwhelming agreement that unless the Postal Service streamlines its operations by cutting unnecessary jobs, post offices, and mail processing centers it cannot survive the 21st century. If it fails, the taxpayer will become responsible for its debt and continued operation, and that is not an acceptable outcome.

DMM Advisory: Customer Support Rulings Posted. The Postal ServiceTM has issued three in a continuing series of revised and new Customer Support Rulings. They are posted on Postal Explorer® (pe.usps.com):

- (Revised) <u>PS-177</u>, Mailpieces Opened After Delivery, provides policy guidance to customers and postal
 employees concerning mail endorsed "Return Service Requested" or any unendorsed piece of mail that is
 opened and returned.
- (New) <u>PS-338</u>, *Mobile Barcodes (QR Codes) Printed in Periodicals Publications*, includes a new policy statement concerning the use of Mobile Barcodes in a Periodicals publication to determine whether they would be considered advertising or nonadvertising content.
- <u>PS-339</u>, Sealed See-through Pouches in Periodicals Publications, includes a new policy statement concerning perishable matter that may be inserted in copies of a Periodicals publication as unsolicited promotional product samples prepared in completely sealed, sift-proof, see-through pouches.

Post & Parcel: By 2050, consumers could be producing their own customised products on 3D printers, with the global logistics industry providing raw materials physically, and blueprints for those products digitally. That is one of the five possible scenarios the world might find itself in within 40 years, according to a study by Deutsche Post DHL entitled "Delivering Tomorrow: Logistics 2050?.

Washington Post: There were early expectations of large Republican gains — based on the disproportionate amount of territory Democrats are defending this year — but those have subsided amid signs of an economic rebound, increased approval for President Obama's performance and a GOP presidential contest that's left independent voters feeling uneasy about that party's issue focus. While Republicans are still expected to gain seats — they need a net gain of four to secure a clear majority — independent handicappers now forecast an outcome that could produce only the fourth evenly split Senate in history. Such an outcome, no matter who claims the White House, could leave the next president in a fairly similar situation to the past 14 months: a paralyzed Senate and an unstable House majority that has transformed Washington governance into something resembling a never-ending hostage negotiation in which each side latches on to an issue and demands some form of political ransom in exchange for its survival. [EdNote: Who knows? Maybe the kids will finally decide they need to figure out how to get along. Wonder who's gonna be sent to time-out.]





Video: The Leader Of The Next Party To Take On Postal Reform

Mobile Marketing Daily: Mobile advertising may have moved at a breakneck pace since the mid 2000s, when you couldn't even find an ad on most phones -- but consumers have not. They still say mobile phone advertising bothers them considerably more than even the annoying torrent of online promotions. A survey of over 4,000 people in the U.S. and U.K. by YouGov on behalf of Upstream finds that 67% of U.S. respondents found unwanted ads served to their mobile phones and smartphones the most offensive, compared to only 9% who found them most offensive on PCs and only 2% on tablets.

EThe Hill: John Callan, Ursa Major Associates -- "The U.S. Postal Service is hemorrhaging red ink. The Postal Service recently placed a 911 call to Congress, pleading for permission to address a wound caused by a plummeting first-class mail rate and explosive adoption of electronic communication. The USPS's proposed five-year business plan, "Plan to Profitability," must be approved and immediately enacted in order to constrain the bleeding and sustain the USPS until 2016. The Plan to Profitability will not fix the Postal Service, but it will keep it alive for now. Nothing short of a bailout is more likely to save the Postal Service than its Plan to Profitability for the near term. It should be urgently approved. And the open and independent conversation about what comes next should begin now as well.



The U.S. Postal Service Office of Inspector General invites you to comment on this week's "Pushing the Envelope" blog topic: **New Blog Series:** The Five Elements of a Postal Solution. The U.S. Postal Service is one of America's greatest institutions, connecting 150 million households and businesses.

However, it faces powerful and unpredictable forces. Actions are needed by postal management and Congress to assure all Americans have universal access. Beginning in March, the OIG will host a series of five week-long blogs discussing the elements of a postal solution. Guest commentators with a wide range of views inside and outside the postal community will contribute to the series. Everyone is encouraged to participate. View the upcoming blog series schedule, including the list of guest contributors, on our <u>blog</u>. New audit projects have been started on the external website.

- <u>Follow-up on Financial Accountability Audit Reporters 12BG013FF000.</u> The purpose of this audit is to assess Postal Service management's response to recommendations from prior financial accountability audit reports. This review addresses financial and operational risks associated with the status and efficacy of corrective actions on prior OIG reports and whether they addressed the audit recommendations.
- U.S. Postal Service's Motor Vehicle Accident Prevention Program 12YG016HR000. The Postal Service uses a safe driver program that established policies and guidelines to ensure that Postal Service drivers are qualified to drive safely. The objectives of the safe driver program are to equip drivers to: drive safely; comply with Department of Transportation regulations; reduce human suffering; reduce property damage and costs; collect and deliver mail efficiently; drivers who are trained to integrate safe driving practices into their daily activities support the operational effectiveness of the Postal Service. Our objective is to assess the effectiveness of the Postal Service's motor vehicle accident prevention program. We plan to review vehicle accidents that occurred in fiscal years 2010 and 2011, interview management to determine the causes for the motor vehicle accidents and how they plan to prevent vehicle accidents. We also plan to review motor vehicle accident prevention programs at major U.S. corporations to identify best practices and determine whether the Postal Service can adopt these best practices in order to reduce motor vehicle accidents costs?
- Frederick, MD to Baltimore, MD AMP Consolidation 12YG017NO000. For this project, we are reviewing operating conditions at the Baltimore, MD Processing and Distribution Center (P&DC). We will conduct observations of mail processing activities and review operational data to identify potential issues resulting from the consolidation of the Frederick, MD Processing and Distribution Facility (P&DF) into the Baltimore, MD P&DC. These issues could include delayed mail, service declines, safety issues and staffing levels. Our objectives include: Assessing the consolidation of the Frederick, MD P&DF destinating mail into the Baltimore, MD P&DC; examining stakeholder concerns with those mail processing issues resulting from the consolidation.
- <u>City Delivery Operations Data Usage 12XG013DR000.</u> For this project, we will look at various reports, metrics, and other data sources used by Postal Service staff at all levels. Specifically, we will look at Postal Service requirements for using data and whether or not they are followed, if there are consistencies with how data is used nationwide, the usefulness of the data, staffs ability to access data, and identify possible

best practices for how data is used. The objective of our audit is to determine how the Postal Service is using data to manage city delivery operations.

•

• Information Technology Software and Infrastructure Service Agreements – 12RR005IT000. The Postal Service is committed to creating and maintaining a cost-effective Information Technology (IT) environment to safeguard the integrity, confidentiality, and availability of Postal Service information. This includes the acquisition of software, hardware, and services to provide the products and services that meet IT standards for the development, implementation, and maintenance of the Postal Service infrastructure. Acquisition activities should ensure that the Postal Service could negotiate cost beneficial IT software and infrastructure service agreements by consolidating requirements into advantageous solicitation. The IT Category Management Center (CMC) is responsible for creating and maintaining national agreements for the Postal Service covering computer hardware, software, IT services, and retail systems. The Postal Service requires that all systems and services use standards to leverage the benefits of faster deployment and efficient development and operation.

Wall Street Journal: Chancellor Angela Merkel's effort to rally the German people behind her strategy for saving Greece and the euro suffered a blow over the weekend after a senior member of her government said Athens should be encouraged to leave the currency bloc. "The chances that Greece can renew itself and become more competitive are surely greater outside the currency union than within it," said Interior Minister Hans-Peter Friedrich.

Athens shouldn't be forced to leave, but rather given incentives "that they can't refuse."

[EdNote: See below.]

Federal News Radio: Federal News Radio: Buyout season is upon us. January, February and March are the months that buyouts are most cost-effective for Uncle Sam. So what would you do if the boss offered you \$25,000 (before deductions) to take regular or early retirement? What's your tipping point? Last year (2011), 21 federal agencies offered buyouts to more than 30,000 federal and postal workers.

PRWeb: The Post Office has developed a new program called Every Door Direct Mail. It has several advantages for churches looking to reach out to their communities this Easter including: no mailing list required, postcards can be oversized increasing response rates, and the cost of the postage, which is 14.5 cents. Memory Cross and Wall Printing have created a program that allows churches to take advantage of this new service to reach out to their communities

Mid Day: A nation-wide 24-hour general strike called by major trade unions Tuesday could cripple the country's transport, banking and postal systems after the government's attempts to avert it remained unsuccessful Monday.

Savannah Morning News: You needn't hold an MBA to recognize the folly of continuing to do business the way you always have when the demand for your main product — first-class mail — drops 27 percent in three years. Or be a Darwinian scholar to grasp the long-range ramifications of online bill pay, now used by 60 percent of Americans and up 55 percent in the last decade. And the number in growing. The USPS might not be broke fiscally, but it is broke from a business model standpoint. Change comes harder to the Postal Service than to organized religions. Much of the resistance — in both instances — is due to the faithful.

<u>DutchNews</u>: Postal delivery group PostNL saw volumes fall 7% in 2011 but sales were stable at some €4.3bn, the company said on Monday.

Example Channel Continue: The recent travel disruption brought about by severe fog has caused a post backlog equivalent to levels usually seen in the run up to Christmas. Jersey Post say they implemented contingency plans over the weekend to ensure all the 160,000 items of mail were ready for delivery this morning. The company confirmed that all items of inbound mail from Thursday, Friday and Saturday last week will be out for delivery today and are asking islanders to be patient as rounds will be taking longer.

<u>Fox Business</u>: Mailing and logistics company Deutsche Post AG said Monday it sees no need for Germany's regulator to approve prices for bulk mail. The company was responding to plans by German Economic Minister

Philipp Roesler to amend the post law allowing the Federal Network Agency, which oversees competition in German telecommunications, postal and electricity markets, to approve pricing changes for bulk mail.

Exanton Repository: Although many blame Congress and email for the conundrums of our mail service, I blame postmarks. The nifty circular ones suddenly disappeared, replaced by a fuzzy, dot-matrix line. The city is not yours, it's wherever the mail was sorted. It stinks. A postmark from your town once was a point of pride, an official confirmation that, indeed, your spot on Earth existed. Institutions can be hundreds of years old, but relevance today is as fragile as a simple postmark (invented in 1661).

<u>DJournal</u>: The U.S. Postal service isn't supported by the government, but its cost-driven reductions suggests a scenario for many other government-related public services when Congress and an administration (which one remains uncertain) act on the necessity of dramatically cutting federal spending. Read more: djournal.com - OUR OPINION Postal cuts suggest deficit cuts' impact

The Raw Story: With the U.S. Postal Service proposing to make draconian cuts to its workforce and services starting in mid-May, Senator Bernie Sanders (I-VT) has emerged as the leading opponent of any changes that would reduce the quality of service on which many Americans depend. The plan announced this week would involve shutting 223 out of 461 mail-processing centers, cutting 35,000 jobs, shutting many smaller post offices, and seeking Congressional approval to eliminate Saturday mail delivery. One result would be that the would no longer be any possibility of first-class letters arriving the next day. After these details became public, Sanders responded on his Senate website, "The plan announced today by the U.S. Postal Service is deeply flawed and Congress must change it. I expect comprehensive postal reform legislation to be on the floor of the Senate within the next few weeks."

The Times of India: The postman in rural areas across the country has his hands full. Apart from his regular job, he now has to go out three to four times a week to collect data from retail outlets which is then used to calculate the rural consumer price inflation. Faced with an acute manpower shortage, the ministry of statistics and programme implementation tied up with the department of posts to get over the problem of collecting such massive amount of data from rural areas across the country.

The Hill: As it presses ahead with plans to cut costs, the U.S. Postal Service (USPS) says it is also trying to avoid putting added pressure on states that allow residents to vote by mail. The cash-strapped agency, which announced last week that it could close 223 or more mail processing centers in the coming months, has also said that it was working with state election officials to soften the blow on ballot collection during this presidential election year. But, so far at least, the agency's efforts are getting mixed reviews from local officials and lawmakers on Capitol Hill, with California's secretary of state even calling on USPS to delay any facility closures until after November's general election.

The American Consumer Satisfaction Index: Scores By Company U.S. Postal Service (Express & Priority Mail)

February 26, 2012

PostalReporters News Blog: Sens. Barbara A. Mikulski and Ben Cardin, both D-Md., demanded Thursday a halt to a new study on moving Easton's mail processing facility to Wilmington, Del. [EdNote: My lord, yes! Halt the study! You actually might find out something you really don't want to know....Like...the facility's really not needed and simply is adding unnecessarily to postal costs.]

Reuters: German Economy Minister Philipp Roesler wants to limit Deutsche Post's ability to influence the prices of stamps for bulk mail, in order to boost competition. The Federal Network Agency, which oversees competition in German electricity, gas, telecommunications, postal and railway markets, will in the future examine prices for such stamps and give its permission before they are changed, a spokeswoman for the Economy Ministry said on Sunday.

News.az: Azerbaijan has been elected in Board of Guardians of the World Post Union (WPU) for Eastern Europe and North Asian region.

At the Postal Regulatory Commission: In December, the United States Postal Service requested a non-binding advisory opinion from the Postal Regulatory Commission on its proposal to consolidate its mail processing network and alter the delivery standards for First Class Mail and Periodicals. This request was designated as PRC Docket No. N2012-1. In support of its proposal and request for advisory opinion, the Postal Service submitted testimony from 13 witnesses and several thousand pages of supporting documentation. Initial discovery concluded on Friday. Under the law, an advisory opinion of this type is governed by the Administrative Procedure Act, and requires an on the record hearing, as specified in 39 U.S.C. 3661(c). Public Hearings have been scheduled. A copy of the one page procedural schedule for this docket is published on page 8 of this document: http://www.prc.gov/Docs/79/79586/POR_5.pdf

<u>OpEdNews</u>: Without the federal government interceding soon, the United States Postal Service will have insufficient funds to pay its obligations. Should the feds bail out the Post Office in the same fashion as the auto, banking and other lenders were? And, do we even need them when private companies like United Parcel Service and Federal Express deliver packages and letters while showing a yearly profit? Even Postmaster General Patrick Donahoe told a Senate committee that he would like to run the Post Office more like the way private competitors are run, but that current federal law and policy prevent him from doing so. Bottom line, Congress may have both tied its own hands from offering a bailout to the Post Office while at the same time helping the USPS go under.

Federal Times: Barely two weeks after a prominent senator questioned her travel activities, Postal Regulatory Commission Chairman Ruth Goldway is unapologetically heading overseas. Goldway, who publicly posted her travel records on the commission's web site this week after giving them to Carper's office, has defended her travel as relevant to her work and beneficial to the Postal Service and the mailing public. Carper spokeswoman Emily Spain questioned Goldway's priorities. "Embarking on travel that does not appear to be closely related to the role the Postal Regulatory Commission has been given in addressing the Postal Service's dire financial situation would appear ill-advised at this critical juncture," Spain said.

February 25, 2012

Fresno Bee: There are many who think we could do without the U.S. Postal Service in an era when technology seems to have surpassed what some derisively refer to as "snail mail." California Secretary of State Debra Bowen isn't one of them, and she's worried that Postal Service cutbacks could disenfranchise some voters in the June primary election. Bowen says that the threatened closure of up to 11 mail processing centers in California, including three in the Valley, will slow mail delivery and result in some mail ballots not arriving in time to be counted. Latearriving ballots are not counted, even if they are postmarked ahead of the election. They must be in the hands of elections officials by 8 p.m. on election day. That's when the polls close in California. [EdNote: Show me the money!]

Tucson Citizen: The U.S. Postal Service this week announced that it will go through with plans to close its Cherrybell mail processing plant here. Phoenix will now process Tucson's mail. The net effect of that on Tucson will mean a first class letter will arrive at its intended destination about a day later than usual. That's hardly cause for the garment rending and teeth gnashing by Tucson's political leaders the past few weeks. The elimination of about 150 jobs is despairing yet necessary if the USPS is to survive and continue its critical role in American society and economy. The USPS is in trouble. It's losing billions of dollars a year. The U.S. government doesn't want to subsidize mail delivery. It wants mail users to pay for the cost of delivery. The inefficient and labor-intensive processing system must change if the USPS is to survive. To do that, it has come up with a modernization plan that will eliminate about half of its nearly 500 processing plants. It also wants to close rural post offices, eliminate Saturday mail delivery and make a handful of other reforms in order to save about \$3 billion in annual operating costs. Standing in the way are numerous members of Congress spurred on by local and state leaders who want the USPS to reform its operations elsewhere. It's kind of a reverse NIMBYism. Call it KIMBYism for Keep It In My Backyard. But the Congress suffers from multiple personality disorder when it comes to the mail. It wants the USPS to pay its own way but it doesn't want it to raise postal rates, close any facilities or layoff any mail workers, especially not in an election year. When USPS leaders explain their problem and plans to solve it, it's as if the Congress sticks its fingers in it ears and says "la la la la la, I can't hear you, la la la la."

Minot Daily News: The U.S. Postal Service is forging ahead with its ill-conceived plan to close hundreds of mail processing centers across the country, including facilities in Minot and Devils Lake. The decision will make the U.S. Postal Service even less necessary, and it will mean fewer customers, leading to even more financial problems down the road. As it announces the mail processing closures, the postal service also continues to press Congress for permission to drop Saturday delivery and raise the price of a stamp by 5 cents. We wonder if officials would miraculously change their minds on the closures if they got their way on dropping Saturday delivery, which they have been virtually demanding for years. Congress should not give in to such blackmail, of course, nor should Congress allow closures of centers like the one in Minot. As this city grows, and western North Dakota booms with business and population, reducing postal service here makes absolutely no sense. [EdNote: Hmmmm. It would really be nice if, for once, the Minot Daily News would say what it thought Congress SHOULD do. Oh...and by the way, there is no such thing as a free lunch. Whatever you want will have to be paid for.]

Workers World: Community Labor United to Save Postal Jobs & Services issued a media release on Feb. 18 after newspaper, TV and radio media barraged the public that same day with reports that the postal service is broke. The group is organizing a rally on March 17 to protest attempts to lay off postal workers and close post offices. [EdNote: Great....Now we've heard from the Commies.]

Econtra Costa Times: Junk mail is under fire in cities nationwide. More than 100 cities, including several in the Bay Area, have joined a Berkeley nonprofit that puts up a virtual "no trespassing" sign to slow the onslaught of 83 billion pieces of unsolicited mail and catalogs sent to U.S. mailboxes annually. San Jose and Berkeley last year worked with Catalog Choice to spread the word to residents and businesses about the free, optional service similar to the Do Not Call lists long used to block telemarketers. City residents choose the vendors from whom they don't want mail. This week, Los Gatos signed up. Santa Monica, Pasadena, Costa Mesa and Seattle also recently joined. Richmond next month decides whether it's in. [EdNote: How nice. Now let's hear how the good citizens of these California cities intend to come up with the revenue needed to sustain the nation's universal mail delivery system. Oh...and while their at it...let's see what they have planned to eliminate all that nasty, bothersome advertising that appears in newspapers, magazines, and on television, cable, radio, and the internet. Idiots...!]

The State Journal-Register: It is too bad Dick "I Never Saw a Tax I Didn't Like" Durbin wasn't around to save the Pony Express and the buggy makers. The postal system as it exists today is obsolete. There is less mail today and will be even less mail in the future. Durbin doesn't want the postal system to cut expenses and it has a limited ability to raise revenue. The postal system needs to cut capacity, close post offices and reduce service to five days a week or maybe even four. The postal system is an independent business that cannot continue to lose billions of dollars a year. The postal system does not have the ability to print more money when it spends too much like Durbin does with the federal government.

The Herald-Record: The future of the Mid-Hudson Processing and Distribution Center could rest in the hands of Congress. U.S. Rep. Maurice Hinchey is promising a bipartisan effort in Congress to save the center. There are several bills pending in the House and Senate aimed at resolving the Postal Service's financial problems that have strong bipartisan support, Morosi said.

The Telegram: The Newfoundland and Labrador branch of the Canadian Postmasters and Assistants Association (CPAA) is sounding the alarm about what it describes as an impending reduction in operating hours for rural post offices.

From the Federal Register: Postal Service PROPOSED RULES Inspection Service Authority; Seizure and Forfeiture, 11437–11452 [2012–4396] [TEXT] [PDF]

Marketwire: Neopost has announced a partnership with Uniserv GmbH that enables customers to validate the addresses of additional countries on top of the USA and United Kingdom currently already offered when using Neopost solutions. While customers using the Neopost PrintMachine document output management solution will be the first to benefit, additional Neopost mail optimization and preparation products will also take advantage of the Uniserv data quality products and services. Validating addresses ensures mail is deliverable and keeps valuable financial resources from being wasted on returned mail. Undeliverable mail can impact business operations,

efficiency and cash flow due to additional expenditures in re-sending mail as well as lost revenues from late bills and invoice payments.

<u>The News Tribune</u>: The office of the Washington Secretary of State says consolidation plans by the U.S. Postal Service are unlikely to hamper Washington elections. In Washington, ballots must be postmarked, rather than received, by election day. Spokesman Shane Hamlin says that because of that requirement, the postal cuts are unlikely to affect voting or vote tabulations.

Federal News Radio: The Postal Service's revamped five-year business plan, which is aimed at putting the troubled agency on firmer financial ground, is made up of a number of elements. Lawmakers have championed some of them, such as allowing USPS to move employees from the federal health-insurance plan to an independent program. But the Postal Service says the most effective way to stave off a further downward financial spiral is not through a piecemeal approach to its measures. Joe Corbett, the chief financial officer of the Postal Service, told In Depth with Francis Rose that without making all of the changes, USPS faces a projected loss of more than \$20 billion in annual losses in 2016. "So we need to make all the changes in our plan in order to return that \$20 billion projected to a modest profit," he added.

Associated Press: Ohio's elections chief is asking the postmaster general to reconsider plans to close nine mail processing sites in the state, saying he's concerned about the security of early mail-in ballots that would be handled outside Ohio. Secretary of State Jon Husted says in a Friday letter to Postmaster General Patrick Donahue that some ballots would potentially leave Ohio twice once when they are mailed to voters and once when they're returned.

Reuters: PostNL is the biggest single investor in freight and delivery firm TNT Express NV, subject of a 9 euros per share approach from United Parcel Service Inc. TNT on February 17 rejected UPS's offer, worth a total of 4.9 billion euros (\$6.5 billion), but the two are still in takeover talks and some investors are hoping UPS will sweeten its offer. PostNL, which owns 29.9 percent of TNT, has good reason to welcome a suitor. After it hived off TNT in May last year, TNT shares fell from a high of 10.2 euros to as low as 4.46 euros, forcing PostNL to write down the value of its stake by more than 700 million euros (\$932 million). The six-month lock-up period that prevented PostNL from selling its TNT stake ended in December and the Dutch postal group had already made clear it would sell the stake when "advantageous and appropriate. So when activist shareholders including U.S.-based Jana Partners and Canada's Alberta Investment Management Corp (AIMCO)started agitating for TNT to shake up its management, appoint new supervisory board members, improve its performance and consider a possible sale, PostNL also stood to gain.

Attention PostalOne!® Users: PostalOne!® Patch Release 29.0.4 Maintenance: On Sunday, February 26, 2012 the PostalOne! application will deploy a software patch release installed in a rolling fashion with no outage to the PostalOne! application. This patch release (29.0.4) will occur during the scheduled maintenance window from 4:00 a.m. through 8:00 a.m. CST and will correct known issues in Release 29.0. No system availability or performance issues should be experienced by users. If you experience any issues please contact the help desk for assistance at 1-800-522-9085.

Multichannel Merchant: We asked several merchants how a USPS move to 5-day mail delivery would impact their businesses, and here's what they had to say about 5-day mail delivery. Here's what they had to say.

- Bryan Jones, president, CWD Kids -- "I don't think the 5-day delivery will have much of an impact on us.
 Most of our packages are delivered via UPS so it's not something we are overly concerned about. In terms
 of the catalog, I don't think we will see a huge impact there either. Most of our books are mailed in a comail pool and more than 90% of the books hit in a two- or three-day window."
- Jaimey Wilman, marketing manager for Action Bag -- "Most of our mailings are co-mailed standard rate catalogs. With the shorter mail delivery time, will we probably need to push up our creative and print production schedules to meet our target in-home dates, but we envision that as a manageable shift."
- Jane Glazer, president and CEO, QCI Direct -- "If reducing the mail delivery service will mean no more raises in postal rates, then I am all for it. The government needs to get out of the mail delivery service and

- the mail delivery service needs to be run like a business. I do not see any logistical problem since we do not deliver next day or 2-day air."
- Lynn Gore, vice president of marketing, Plow & Hearth "In regards to catalog delivery, we are not concerned at all about moving to 5-day delivery. Our typical in-home dates are Mondays, so at most, even with early delivery we only see about 3% of delivery the weekend prior to an in-home. And even if the USPS is not delivering on time, I don't see the demand being negatively impacted. If anything, it would just be redistributed. In regards to merchandise, I think the 5-day delivery could impact sales where key gift-giving holidays fall on the calendar in such a way that the ordering window would be shortened by not having Saturday delivery. In that case, we would be forced to use other methods of delivery so that we could get orders to our customers as close to their need as possible."
- *Mike Wolfe, president and CEO, AeroGrow--* "This issue as are many budget issues is more complicated than it might appear on the surface. As much as I hate to see service shrink from 6 days to 5 days, if that's what it takes for the USPS to stay solvent, then so be it. Business mailers need a health USPS. That said, my view is that I'm not too troubled by this as long as the average time to get shipments in home is not significantly affected. Not having our catalogs show up on a Saturday is not a big deal as far as I'm concerned."
- Terri Alpert, founder and CEO, Stony Creek Brands -- "It is critical to my companies as catalog mailers that the USPS be able to normalize its cost structure for today's realities. If significant costs are not removed from the system, prices will continue to spiral out of control. If that were to occur, it would likely mean the destruction of my company and the many jobs I have created for my employees and suppliers, many of whom are small businesses. And we would no longer be able to enhance the lives of our customers. The inconvenience of losing one day a week of mail delivery is a small price to pay for the continuation of system on which we all depend."
- Zach Zimet, senior director of marketing, Crutchfield -- "I believe that a move to 5-day delivery would ultimately benefit our business by helping to stabilize the USPS. Our ongoing operations and marketing plans would be minimally affected by the change."

Editor's Note: Well, we've heard a lot these days about what Congress doesn't want the Postal Service to do, and a lot from labor about what it doesn't want Congress to let happen. About the only thing we haven't heard is what Congress and labor are WILLING to do to ensure that postal resources and costs get trimmed to match workload needs and get the nation's postal system on a positive, sound, self-sustaining track.

<u>Crookston Times</u>: The U.S. Postal Service's announcement Thursday of its decision to "consolidate" five mail processing/distribution centers in the state, as part of its plan to shutter at least 223 across the nation to keep the agency solvent, is the latest move to undermine any power out-state Minnesota might have. The plan has drawn criticism from every area in the nation that it affects; no one wants to lose their center. It's also no secret that the independent government agency has been struggling to keep afloat amid an increasingly paperless climate that's had a big impact on the volume of mail streaming in and out of mailboxes. The USPS had to come up with a solution, and this whole consolidation plan was apparently the best it could do absent a funding boost from the government.

BusinessInsider: While the Postal Service continues to slash costs and service, people are starting to wonder whether the day will come when the agency will cease to exist. The USPS is just one more instance of an entity that needs to cut back. The Postal Service needs to change but is not going anywhere anytime soon.

Hellmail: Consumer Focus, the body charged with regulation of UK postal services, is urging the Royal Mail to up its game following a 'slip in results' and patchy performance, particularly in the London area. The call comes as Royal Mail's delivery performance results for Quarter 3 of 2011 (from September to early December) published today, show a decline in results. This follows Quarter 2 figures which showed improvement on previous poor results in March to early June.

McCook Daily Gazette: The Postal Service predicts it will lose a record \$14.1 billion this year and plans to cut 220,000 jobs, but critics point to a congressional mandate that the service prefund retirement and retiree health costs as a major part of the problem. The processing centers would have been closed sooner, but the USPS agreed to give Congress until May 15 to come up with other options. We're not optimistic that will happen.

<u>MLive</u>: U.S. Sen. Carl Levin has sent a letter to the postmaster general about plans to close the Jackson mail processing center and six others in Michigan. Levin, D-Michigan, is asking for details about the plans by the U.S. Postal Service.

The Motley Fool: The U.S. Postal Service is in crisis, which means hard decisions have to be made. So, if you could save the USPS by accepting slower service, and perhaps a few fewer days of getting mail delivered to your mailbox, would you do it? Or would you prefer to pay a few more cents for a postage stamp as a way to shore up the USPS's failing revenue stream? Opinions may differ on which solution is best. Lucky for us, we don't have to choose. The Post Office has already made its decision for us. So that's the USPS solution in a nutshell: Give the customers worse service, and charge them more for it.

February 24, 2012

Post & Parcel: New Zealand Post downplayed a surge in its profits as it released its latest financial results today, warning that it still has some way to go in facing up to declining mail volumes. The group more than doubled its net profit after tax in the six months up to the end of December, compared to the same period in 2010, from \$15.8m to \$35.4m. But group chief executive Brian Roche said the performance was not a case of "turning the corner" after the \$35.6m loss seen in the year ended June 2011. He said that plans are now being finalised to address society's ongoing move towards digital communications.

Worchester Telegram & Gazette: U.S. Sen. Scott Brown today wrote a letter to the postmaster general demanding an explanation for proposals to close five mail processing and distribution centers in the state, including the one on Main Street. In the letter to Postmaster General Patrick R. Donahoe, the senator acknowledges the agency's dire financial problems and significant changes that may be required to put it on a viable fiscal path. But he said he is disappointed and concerned with the process used to make the decision announced yesterday to eliminate operations at plants in Shrewsbury, Waltham, Wareham and Lowell, and significantly reduce operations at the facility in North Reading. USPS also announced in December that the Springfield facility will close.

In response to the release of the list of Area Mail Processing plant closures today, Rep. Darrell Issa, R-Calif., Chairman of the House Oversight and Government Reform Committee, Rep. Dennis Ross, R-Fla., Chairman of the OGR Subcommittee on the Federal Workforce, U.S. Postal Service, and Labor Policy, and Rep. Justin Amash, R-Mich., Vice-Chairman of the OGR Subcommittee on the Federal Workforce, U.S. Postal Service, and Labor Policy offered the following statement:

"Rightsizing is essential to solving the Postal Service's financial crisis. If USPS leadership actually goes through with a realignment, instead of caving to political pressure again, it will be an acknowledgment that no budget gimmick is going to restore the Postal Service to solvency. Keeping your head in the sand and hoping for a taxpayer bailout is simply irresponsible."



DMM Advisory: IMbTM Services Update

- Reminder PostalOne!® Patch Release 29.0.4 Maintenance On Sunday, February 26, 2012, during the scheduled maintenance window from 4 a.m. to 8 a.m. CST, the PostalOne!® application will deploy a software patch release in a rolling fashion with no planned outages. This patch release (29.0.4) will correct known issues in Release 29.0. Users should not experience system availability or performance issues during the deployment.
- Reminder FAST® Release 19.2 Deployment: Facility Access and Shipment Tracking (FAST®) Release 19.2 will be deployed to the Production environment on Sunday, February 26, 2012, from 4 a.m. to 8 a.m. CST. During the deployment, the FAST Online Application will remain available, but FAST Web

Services messaging will not be available. All FAST Web Services messages received during the outage will be queued and processed after FAST Release 19.2 deployment is completed.

Reuters: The White House proposed on Thursday a "privacy bill of rights" that would give consumers more control over their data but relies heavily for now on voluntary commitments by Internet companies like Google Inc and Facebook. The plan comes amid growing consumer concern about their lack of control over the collection and trade in vast amounts of detailed information about their online activities and real-life identities. As part of the announcement, an online advertising coalition associated with Google Inc, Yahoo Inc and Microsoft Corp said its members agreed to placing "Do Not Track" technology in Web browsers, something the Federal Trade Commission has been advocating since 2010.

Reuters: The line between publisher and retailer is blurring as companies partner up to try and capture more of the e-commerce pie.

National Postal Mailhandliers Union: Last year, on September 15, 2011, the Postal Service issued a list of 252 mail processing facilities that it planned to study for possible closing and consolidation. The alleged justification for this process was to ensure that the Postal Service would be able to reduce the number of its mail processing facilities to the extent necessary to deal with a drop in mail volume. There certainly has been an unprecedented drop in mail volume during the past few years, and to the extent that the volume is not expected to return, some reduction in the number of mail processing facilities might be justified. But now the Postal Service has made the closing and consolidation of more than two hundred facilities part and parcel of its destructive plans to downsize the Postal Service and threaten universal service by cutting service standards, reducing the days of residential delivery, and otherwise threatening the historic role of the Postal Service in America.



This is what we need.

Editor's Note: Forget Greece It would seem these days that when it comes to things congressional and postal, Washington, DC is taking on the character of "Dysfunction Junction." Even the EU seems to address their most pressing problems more promisingly. If America's postal infrastructure is meant to serve as a platform for national economic development, then it must work!

It must FACILITATE businesses' use of mail for communication and commerce, not IMPEDE it.



This is what we're getting.

<u>Tredyffrin-Easttown Patch</u>: U.S. Rep. Patrick Meehan (R-PA7) is calling for an independent review of the United States Postal Service (USPS) decision to consolidate the Southeastern Pennsylvania Processing and Distribution Center. The center, located in Wayne, Tredyffrin Township is now slated to close later this spring. The mail that is currently handled in Wayne would be moved to the USPS processing and distribution facility near the Philadelphia Airport.

<u>Washington Post</u>: At least 223 mail processing facilities operated by the U.S. Postal Service could close or merge with nearby locations in the next year as part of a three-year, \$15 billion cost-cutting plan.

Transport Intelligence: The acquisition of TNT by UPS has thrown up what could evolve into a highly ironic situation. TNT has a wholly owned airline, TNT Airways SA, which is based at its European hub in Liege and which exists to provide TNT Express with an air freight network connecting all its locations throughout the world. However, a change of ownership could have serious implications for the airline. TNT Airways SA is incorporated in Belgium and qualifies as a Belgian and EU carrier. This brings a number of privileges that include the company's use of Liege Airport, routings and reciprocal landing rights and trade arrangements.

For those inquiring minds that need to know, you can find the following on the Postal Service's website:

• <u>USPS Owned Facilities by State</u>

USPS Leased Facilities by State

The latest issue of the PostCom Bulletin is available online. In this issue:

- In keeping with that commitment, the results of the Area Mail Processing (AMP) facility studies announced last September are now available at http://usps.com/ourfuturenetwork. This website provides information on the decision made in each study, including whether each facility will be closed or consolidated, remain open, or have its study placed on hold. For those facilities facing a change, the name of the "gaining site"—the facility where mail processing operations will be relocated also is included.
- This report updates the analysis in the 2009 white paper and, with the prospect that the Postal Service will continue to be affected by national budget issues, explains how budget enforcement mechanisms such as scoring work and how they can be addressed.
- The Association for Postal Commerce Board of Directors has approved the following resolution creating a new technology working group under its Postal Operations Committee.
- USPS posts info on Mobile Barcode Promo. New postal website. The honor of your postage is requested. USPS may resort of buyouts, early retirements in aggressive downsizing. USPS five-year plan: doomed to fail. Postal Service's future, opinion. Bill downsizing USPS is far from perfect. USPS is Escher's mystery new customer. TNT rejects \$6.4B bid from UPS for its Express unit. Premium forwarding service debuts on usps.com. Senator Carper requests travel docs from PRC Chair. New CPI figure. USPS files mobile barcode promo with PRC. Carper: USPS can take page from auto industry in fixing finances. Voluntary do not track. Postal Service set to announce facility closures. Senator Casey requests independent review of USPS consolidation. Move to competitive street addressing for PO Boxes. PostCom's newest member.
- Updates from the Domestic Mail Manual.
- Updates from the Federal Register that affect the mailing industry.
- An update from the USPS Office of Inspector General.
- A review of postal news from around the world.
- Postal previews.

Hey! You've not been getting the weekly PostCom Bulletin--the best postal newsletter anywhere...bar none? <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.



The PostCom Bulletin is distributed via NetGram

<u>Courier, Express, and Postal Observer</u>: Posted on the Courier, Express, and Postal Observer site is a dialogue with Congressman Dennis Ross via Twitter regarding the Postal Service's plant consolidation announcements.

Reuters: Dutch delivery firm TNT Express is not expecting U.S. rival FedEx to trump a 4.9 billion euros (\$6.5 billion) takeover bid from United Parcel Services (UPS.N), a source close to TNT said on Thursday. TNT last week rejected a 9 euros per share cash offer from UPS, the world's largest package delivery company, but is still in talks with its U.S. suitor.

February 23, 2012

Press Release: Cleanlist.ca (a division of Interact Direct) is pleased to announce its new proprietary API (application programming interface) to provide automated access to Canada Post's NCOA database. The first API clients went live in January, 2012.

<u>paidContent.org</u>: Two business information publishers are reporting improving fortunes after pushing their print media portfolio toward digital subscription operation.

Eye for Transport: The retail industry is obviously one of the biggest economic drivers, however the european sector is still struggling. The recent retail supply chain report we have just released clearly shows 44% of executives are not expecting any growth in their retail business this year. You can read about all the other concerns facing retail supply chain execs here

FLASH!! Area Mail Processing study decision 2/23/12:

- Facility list (Facility list as an Excel spreadsheet)
- Fact sheet
- Local media contacts
- Local news releases
- Background/FAQS

From the USPS to business mailers:

Last September, the Postal Service proposed changes relating to service standards and network operations, and made a commitment to you, our PCC members and customers, to maintain open communications on these proposed changes. In keeping with that commitment, the results of the Area Mail Processing (AMP) facility studies announced last September are now available at http://usps.com/ourfuturenetwork. This website provides information on the decision made in each study, including whether each facility will be closed or consolidated, remain open, or have its study placed on hold. For those facilities facing a change, the name of the "gaining site"—the facility where mail processing operations will be relocated — also is included.

Implementation of any consolidation or closure, however, is contingent upon the outcome of proposed revisions to existing service standards. In addition, no network changes will be implemented prior to May 15 of this year, in keeping with a moratorium on closing or consolidating postal facilities intended to give Congress and the Administration the opportunity to enact an alternative plan. There will be no changes at this time to retail services and business mail acceptance located at any of the facilities involved in these studies. See the following additional commitments:

- No immediate changes to business acceptance locations or hours of operation
- Deliberate timing of operational moves to limit customer impact
- Continuation of Destination Sectional Center Facility (DSCF) discounts at affected Bulk Mail Entry Units (BMEUs).
- Expanded Drop Shipment Appointments will be available
- Continual communications

Many of you have asked about the impact of these actions on BMEUs. Again, there will be no changes to BMEU hours or locations. Should a BMEU need to be relocated in the future, all customers would receive 120 days notice of the intended move, and any new location would be in close proximity to the original. In addition, DSCF discounts will continue to be available for mailings entered at BMEUs that remain in impacted facilities. Mailers will be encouraged to align their preparation and entry to the new network. However, they will continue to receive drop-ship entry discounts for mail entered at impacted facilities based on 3-digit ZIP Codes currently allowed. There will be no major consolidations during the fall mailing season, nor during the election mailing period, and Facility Access and Shipment Tracking (FAST) appointments will be expanded to support shifting volumes across the network. In the very near future, our District Managers across the country will be inviting commercial mailers to meetings where they will share more detailed information and answer site-specific questions.

An Urgent Message from Senator Collins: "Senator Collins Blasts Postal Service Decision to Proceed with Hampden Plant Closure"

Post & Parcel: Scandinavian postal operator PostNord warned today that it will need further restructuring and is contemplating a possible IPO as it faces up to radical changes in the mail market. The company that is 40% owned by the Danish state and 60% owned by the Swedish state reported financial results for 2011 today, highlighting improved profits for the year. But while net profits were up 19% to SEK 1.03bn (\$155m USD) thanks to cost-cutting efforts, PostNord's sales showed a 5% decline for the full year compared to 2010, to SEK 39.5bn (\$5.9bn USD). The final quarter of 2011 was characterised by increasing competition from Internet communications and a weak Danish economy.



Post & Parcel: Russian Post said yesterday that preliminary financial results for 2011 show a 12% growth in its revenues compared to 2010, with operating income up 14% to 120bn rubles (\$4.04bn USD). The company said net profit was expected to range between 700m to 750m rubles (\$23.6m to \$25.4m USD), also up on the previous year. For the first time in the past few years, Russian Post was unable to achieve growth in its letter mail, it said, with the backdrop of a global downturn in mail volumes. However, growth in the company's competitive services was expected to be around 22%, mainly thanks to surging parcel volumes, which have risen 10% from 2010 to 2011, from 47.8m items to 52.3m items.

OIG Tweet: Have you been to our audit project pages lately? Looking for input on our newest project-USPS Accident Prevention Program

EXECUTE: Google has agreed to build support for Do Not Track into Chrome so its Web browser can tell Web sites when users don't want advertisers scrutinizing their behavior.

Financial Times: When United Parcel Service, the logistics company, went public in 1999, top executives gave one overarching rationale for the wrenching change to its conservative, operations-focused corporate culture − large-scale acquisitions. More than a decade later UPS is finally making its move, taking advantage of its greater scale, financial strength and access to capital markets with a €1.9bn offer for TNT Express, the recently spun-off Dutch package delivery company. The bid comes as the leading express parcel groups are enjoying moderate if uneven growth amid the patchy economic recovery and have moved to tap into international trade flows and build out their global networks through a combination of capital investments and acquisitions.

Federal News Radio As the Postal Service debuts new plans for cost-cutting, one of the key lawmakers involved in setting USPS on more sound financial footing said the agency should take a page from the auto industry. About three years ago, the auto industry was "going under,"

Carper said with some calling to let many of the car manufacturers go bankrupt. Instead, GM, Chrysler and Ford took a three-pronged approach: Retirement-age employees were incentivized to retire, some plants were closed and the carmakers unions' the United Auto Workers, took over managing employees' health-insurance plans. "And I think therein lies part of what we need to do with the Postal Service," Carper said. As with the car companies, USPS needs to "right-size the enterprise," he added. For example, provide incentives for those employees who are retirement-eligible and close some mail-processing centers, without impairing service. Carper said he's also urged the four major Postal unions, including the National Association of Letter Carriers, to take over managing Postal employees' health insurance.

Marketing Week: The price of large letter DM is set to rise between 4 and 7% but the postal operator insists that most increases will be below 5% and some under 1%. Royal Mail has changed the conditions of its Advertising Mail service, which offers companies financial incentives to use DM, in a bid to placate direct marketers bristling over rising costs.

The Times of India: The postal department has approached Goa government for delivery of driving licenses and registration certificate (RC) books through speed post. This, they believe, will ensure the fast delivery of vital documents at the door steps of the customers.

News briefs:

- <u>USPS Notifies Employees of Consolidations: APWU Continues to Oppose Plan To Slash Service, Jobs, Network</u>
- USPS recommends closing Tulsa postal center
- Postal Service to close Roanoke mail center.
- Sen. Collins: Hampden postal facility closing "Senator Collins sent a letter to the Postmaster General, calling the consolidation "unacceptable and incredibly short-sighted" in regards to the harm it will cause Maine businesses and customers, as well as postal workers at the plant."
- U.S. Postal Service accepts consolidation study
- Postal Service set to announce facility closures
- Reuters digs to determine what's really behind post office closings
- Delaware postal facility to remain open
- Easton mail processing could move to Wilmington
- 200 postal workers' jobs may be affected by proposed closing
- Pocatello mail center will close
- <u>Duluth postal workers told 60 jobs could leave Duluth by June</u>
- Postal center phase-out to start in June, union leader says
- Local mail will go to Cleveland for processing
- Roanoke & Lynchburg Postal Service facilities close, jobs uncertain
- Postal Workers React to News of Springfield Mail Processing Center's Closure
- Postal Closure Fallout
- Postal Service Lay-offs Ahead

Mercury News: If you want your mail-in ballot to count in this year's elections, don't procrastinate, California's top elections official warned Wednesday: The U.S. Postal Service's downsizing plan could wind up leaving last-minute voters unheard.

Bloomberg: Traders are betting TNT Express NV is the most likely takeover target in Europe to get a higher offer, even after spurning the industry's richest proposal from United Parcel Service Inc.

Zacks: United Parcel Service (UPS) is still negotiating the acquisition of TNT Express, the Dutch package delivery company. United Parcel's preliminary bid of ⊕ per share, or €4.9 billion (\$6.45 billion) in total, was rejected, but the company still hasn't given up hope on Europe's second-largest express delivery company. UPS made the proposal nine months after TNT spun off from PostNL and suffered persistent market share loss. If successful, the takeover will make UPS an undisputed leader in the emerging markets of Europe, China, Russia, Brazil and India.

February 22, 2012

PostalVision 2 Learn More about PostalVision 2020.....Become A Sponsor! Radical change is underway in our nation's Postal

ecosystem and there is a lot at stake!....Like a trillion dollar industry that employs 8 million and serves every single American almost every day, everywhere! The PostalVision 2020 Initiative is about something more than tha "usual" conversation about the issues facing the postal industry. PostalVision 2020 is a deliberately independent, open and inclusive initiative designed to ignite imaginative thinking and to stimulate provocative conversation about what the United States' Postal Service should do and what it should be in 2020 and beyond.

Ecitizens Voice: U.S. Sen. Bob Casey Jr. is requesting the U.S. Postal Service Office of Inspector General complete an independent review of a study that recommended the consolidation of a processing facility in Scranton with one in Lehigh Valley. The potential closing of the Scranton facility puts about 300 local jobs in danger. In a letter sent to Inspector General David Williams today, the senator requested a review of the Area Mail Processing study "to ensure that the decisions reached accurately and effectively enhance USPS operations without harming its customers or workforce."

In Move to Competitive Locations with Street Addressing, a customer's mailing address may be either the street address for the Post Office where their PO Box is located, followed by # and the box number, or PO Box followed by the box number Some merchants do not allow shipping to a PO Box address. The Street Addressing option enables customers to receive packages and deliveries from private carriers who require a street address for delivery, such as UPS and FedEx. [Address File: https://ribbs.usps.gov/mtcsa/documents/tech_guides/mtcsa.xls]

BusinessDay: The federal government is intensifying efforts to re-structure the Nigerian Postal Service (NIPOST) specifically to drive its financial and digital inclusion strategy.

Southern Maryland Online: U.S. Senators Barbara A. Mikulski and Ben Cardin (both D-Md.) announced they have joined 25 other senators in calling for significant improvements in a bill to modernize the U.S. Postal Service. In a letter to the Senate Committee on Homeland Security and Government Affairs and Subcommittee on Federal financial Management, Government Information and International Security, the senators suggested specific measures to preserve first-class and Saturday mail delivery, stop wholesale closings of rural post offices and mail processing centers, and spare many of the 220,000 jobs that the Postal Service wants to cut.



A new white paper has been posted on the U.S. Postal Service Office of Inspector General (OIG) website (http://www.uspsoig.gov). If you have additional questions concerning the report or blog, please contact Wally Olihovik at 703-248-2201 or Agapi Doulaveris at 703-248-2286.

Budget Enforcement Procedures and the Postal Service (RARC-WP-12-007). The Postal Service's finances are by law separate from the rest of the federal budget, but efforts to solve the Postal Service's financial problems continue to be caught up in budget scoring considerations. The U.S. Postal Service Office of Inspector General (OIG) explored these obstacles in an August 2009 white paper entitled Federal Budget Treatment of the Postal Service. The paper pointed out the limited advantages conferred by the way the Postal Service's off-budget status is currently implemented and suggested that the Postal Service take further steps to reduce its entanglement with federal budget issues. In our recently released white paper, Budget Enforcement Procedures and the Postal Service, the OIG updates budget events since the 2009 paper and describes the current budget process. Until Postal Service finances and the federal budget can be disentangled, it is important for the Postal Service and its stakeholders to understand

the current budget landscape. Read more at www.uspsoig.gov and then we invite you to share your comments on this white paper on our blog.

<u>Pittsburgh Post-Gazette</u>: It should come as no surprise to anyone with a mailbox that the U.S. Postal Service's vow for "swift completion of their appointed rounds" has become more a suggestion than a motto when it comes to timely delivery service. For readers, it's an annoyance. For magazine publishers, it's a growing problem as the industry faces a stagnant rate in subscription sales and intense competition from the Internet.

PostCom Members!! The latest issue of PostCom's <u>PostOps Update</u> has been posted on this site. In this issue:

- POSTNET to Sunset Jan 2013; IMb Full-Service Required Jan 2014
- Value to the USPS.
- USPS Technology Investments to Support IMb.
- Barriers to IMb Adoption.
- Value to Industry.
- 2012: "A Dynamic and Fluid Environment"
- On Infrastructure Changes.
- On MTE.
- On FSS Stabilization.
- On Service.
- USPS Product Promotion Update
- New MTAC Focus Group Meetings

Wall Street Journal: Analysts and economists aren't exactly jumping for joy over the latest Greek bailout. Doubts linger over whether Greece will be able to implement the appropriate austerity measures and additional terms that are needed to justify the bailout. [EdNote: If Congress refuses to address the need to reduce USPS costs, "doubts" will "linger" about the long-term viability of the nation's postal system. Time is money. Look at the clock.]

<u>Wall Street Journal</u>: In a bid to convince investors of its stand-alone value, TNT Express NV said Tuesday it will renew focus on its main Europe business and seek partnerships or possible sales of its businesses in emerging markets as the Dutch logistics company reported a fourth-quarter net loss.

MSNBC: RR Donnelley will host a conference call and simultaneous webcast to discuss its fourth-quarter and full-year results today, Wednesday, February 22, at 10:00 a.m. Eastern Time (9:00 a.m. Central Time). The live webcast will be accessible on RR Donnelley's web site: www.rrdonnelley.com. Individuals wishing to participate can join the conference call by dialing 847.413.9014, confirmation number 31610164.

Fairbanks Daily News-Miner: Rep. Don Young is certain a controversial bill that would end the bypass mail program in Alaska lacks support on Capitol Hill and will fail, but that doesn't stop him from being frustrated by his fellow lawmakers' lack of knowledge about Alaska.

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

- The Finnish post slid into the red in 2011 despite a rise in turnover.
- To compensate for the decline in the traditional letter business, the deliverers of Belgian bpost will accept additional services. In the course of a pilot scheme postmen will deliver ordered goods from neighbourhood retailers to the addressee's household. These articles can be food or even cleaned clothes.
- Posten Norge faced a considerably shrunken operating result on increased revenues in 2011. Deutsche Post DHL obviously aims for an amicable settlement of the longstanding tax dispute with the financial authorities about VAT. Deutsche Post and the North Rhine-Westphalian

financial authority are trying to settle the conflict in confidential talks.

Amazon customers in Italy will be able to pay their bills to the postman in the future.

TNT Express slid into the red in the past business year despite a slight increase in revenue.

French La Poste successfully finished collective bargaining with the unions CFDT, CFTC, CGC-UNSA and FO. According to the new labour contract wages will increase by 0.7% effective from April 1 and by another 1.4% effective from September 1 2012.

According to unanimous media reports Poste Italiane has abandoned its plan to enter the online game poker market. The post had already purchased a licence from the authorities and paid about 350,000 euros for it. Poste Italiane did not comment on its reasons for the withdrawal.



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

At the Postal Regulatory Commission: Postal Regulatory Commission NOTICES International Mail Contracts, 10577–10578 [2012–3984] [TEXT] [PDF]

Engadget Mobile: Ever felt like Bing wasn't for retail stores or print journalism? The two latest Windows Phone updates won't dispel that fantasy, sadly. Bing Vision been update so it can read Barcodes, CD, DVD and Book Covers so you can find out how much cheaper the item in your hand is if ordered online. Image Matching for Newspapers won't arrive until March, but you'll be able to snap a photo of an article you've seen in a local rag and, if its in Microsoft's database, you'll be linked directly to the original version of the article online. That's brick and mortar retail and newspapers taken care of, we'll be waiting around to see what's next on Bing's hit-list -- orphanages, probably.

Dead Tree Edition: The U.S. Postal Service's financial situation is starting to "look like Greece," the Postmaster General told mailers last week, because of resistance to changing the agency's obviously unsustainable cost structure. If Congress doesn't allow USPS to change, Postmaster General Pat Donahoe told the Mailers Technical Advisory Committee (MTAC), by 2016 it will have \$60 billion in annual revenue but \$90 billion worth of debt. "It is hard to get the message across. Everyone can't have their cake and eat it too. When you look at our outlook and do nothing, we look like Greece," he said, referring to the country that faces default on its debt and massive upheaval after years of obviously unsustainable budget deficits.

Save the Post Office: The Postal Service juggernaut keeps rolling on with its downsizing plans, and it seems prepared to crush whatever stands in its way — postal workers, post offices, communities, history. There doesn't seem to be anyone or anything that can stop it — not Congress, not the unions, not the Postal Regulatory Commission. Perhaps it's time for the People of the United States to take the U.S. Postal Service to court.

Postalnews Blog: E-commerce giant Amazon.com will begin using ePostage later this month, making the electronic postage payment option available to its online merchants nationwide. Initially, Amazon will launch ePostage with about 20,000 of its top merchants, with plans to make it available to all 2 million of its online sellers.

<u>WWNY</u>: You know why the Postal Service is in trouble, don't you? It's the internet, with its 'impossible to compete against' delivery of messages. Or it's the Postal Service's legendary bureaucracy. Or the unions that give postal employees better salaries and benefits than the private sector. Or not. 7 News reporter John Moore spent the last month assessing what the loss of post offices means in northern New York, and the reasons for the Postal Service's difficulties. What emerged is a more complex picture of the Postal Service's woes, one that is not

consistent with the popular image of wasteful government spending or a business model doomed to failure. It leaves people inside the system scratching their heads.

NASDAQ: Dutch cargo delivery firm TNT Express NV reported Tuesday a loss for the fourth quarter, reflecting weaker economic conditions and impairment charges at its Brazil operations. The results come shortly after the company had rejected a \$6.43 billion takeover offer from United Parcel Service Inc. (UPS). Although TNT did not mention anything about the offer today, reports indicate it is seeking a bid higher than UPS's 9 euros per share offer.

February 21, 2012

<u>MarketingWeek</u>: Royal Mail should be free to increase the prices it charges direct marketers to deliver their bulk and business mail but only if it makes efficiency improvements, according to the postal regulator.

The Globe and Mail: UPS's €4.9-billion (\$6.5-billion) love letter validates TNT Express's recent divorce. The U.S. parcel service has admired its smaller Dutch peer for years, and proposed just before Valentine's Day. TNT is thinking about it. But clearly its 2011 split from PostNL, the dowdy domestic mail business, is finally achieving the desired effect.

At the Postal Regulatory Commission:

- Letter from Postal Regulatory Commission Chairman Ruth Goldway to Senate governmental affairs postal subcommittee chairman Thomas Carper (D-DE): "Pursuant to your letter of February 8,2012, please find attached a summary and related documents that are responsive to your questions regarding Commission travel. This information demonstrates that Commission travel is in support of statutory obligations, performed in a cost-efficient manner, and benefits the Commission, the Postal Service, and the mailing public."
- Docket No. R2012-6: United States Postal Service Notice of Market-Dominant Price Adjustment. "The Postal Service hereby provides notice that the Governors have authorized the Postal Service to temporarily adjust the prices for several market-dominant products within First-Class Mail® and Standard Mail®. This adjustment will take effect at 12:01 AM on July 1, 2012, and expire at 11:59 PM on August 31, 2012. The change ("2012 Promotion") will provide commercial mailers an upfront two percent discount on the prices for First-Class Mail® and Standard Mail® letters, flats, and cards (presort and automation), which include a qualifying mobile barcode ("mobile barcode" or "qualifying barcode")1 or similar print technology inside or on the mailpieces. The mobile barcode must direct the recipients of the mailpieces to a mobile-optimized website that facilitates the purchase of a product or service, or to a personalized mobile website that is tailored to the recipient. The Postal Regulatory Commission ("Commission") approved a similar promotion in Docket No. R2011-5 ("2011 Promotion") (Order No. 731)."

Press Release: The United States Postal Service has added its extremely popular Premium Forwarding Service to its suite of online products and services at usps.com. Previously only available at a Post Office, Premium Forwarding Service can now be accessed online using your USPS.com account.

Post & Parcel: Members of the UK Parliament grilled regulator Ofcom today over its plans to allow Royal Mail to make "outrageous" increases in its postage rates to prop up universal service. Ofcom took over regulatory control of the postal market last October, and is currently consulting on proposals to remove all price restrictions on Royal Mail other than for Second Class single-piece letters. It is expected to make a decision on price regulation in the next few weeks.

Post & Parcel: Norway Post said today that it achieved its best financial performance for five years during 2011, with group turnover up 2.4% and underlying profits up 10.4% from the year before. The achievement came as adjusted for the effect of one-off costs and gains between 2011 and 2010, but the Post said it suggested it was now in better shape in the light of declining mail volumes. Including the impact of one-off property sales in 2010 and restructuring costs occurring in 2011 including a NOK 759m (\$133m USD) early retirement scheme, the Post found

its profit before tax for continuing operations down from NOK 1.5bn (\$263m) in 2010 to NOK 799m (\$140m) in 2011.

96.4Eagle: Royal Mail's plans to raise the price of a second class stamp have come under fire, with a consumer watchdog claiming those on low incomes will be hit hard. Robert Hammond, director of postal policy and regulation at Consumer Focus, told Sky News: "Although the rise of an individual stamp price may seem small, it can add up, particularly for those on low incomes and without internet access. "If customers are being asked to pay more, Royal Mail must deliver value for money through a reliable and efficient service."

Cato@Liberty: Given that the USPS's plan is going to be unpopular with various postal stakeholders (i.e., special interests), Alan Robinson says that they should consider the advantages of privatization. I think Robinson is right, but I suspect that the "stakeholders" believe there's a good chance that Congress will ultimately come to their aid with some sort of taxpayer bailout. Therefore, it's possible that they believe that it is in their best interest to continue fighting for the status quo. Unfortunately, the recent bipartisan federal bailouts of the financial industry and the automakers suggest that they could be correct.

Times of India: At an age when e-mails and SMSs have almost replaced letter writing, postal stamp collection may appear to be quaint as a hobby. It may be easy to assume that just as modern technology has rendered letters themselves obsolete, modern times have made the collection of stamps old-fashioned. But that is not the case and as experts say, there is much more to philately - the study and collection of stamps - than meets the eye.

National Association of Major Mail Users: Go paperless, go green and save trees are common themes these days as many corporations and governments encourage their customers and employees to switch to electronic transactions or communications. But are appeals to help the environment by eliminating paper based on sound science or on marketing strategies aimed at cost cutting? The direct impact of Information Communications Technology (ICT) products and services replacing paper is far from negligible, and the trade-off between the two "technologies" depends on conditions such as use frequency, source of energy, end-of-life management of the products, etc. Information Communications Technology (ICT) manufacture is material- and energy-intensive. The production of each PC requires 22 kg of toxic chemicals, 240 kg of fossil fuels and 1,500 kg of water. Also, 80% of life-cycle energy use is accounted for before we even switch a PC on for the first time. Learn more about the environmental impact of electronic media, click here (PDF format).

Russia's postal service has been fined \$1,000 for delays in urgent deliveries. A recent Moscow prosecutors' inspection discovered ten cases of first-class letters that had sat for a week at Vnukovo Airport. First-class post is supposed to guarantee delivery within two days. The postal service insists the air carrier involved was at fault and that the matter was out of its hands. Russia's postal service is notorious for problems with the delivery and security of letters and parcels. Just recently the postal service caught some of its employees stealing the contents of parcels and replacing them with objects of similar weight. Since January 2010, fraudsters have managed to steal goods valued at more than 1 million rubles (\$33,000).





PostCom welcomes its newest member: North American Communications 141 NAC DR - PO Box 39 Duncansville, PA 16635-0039 represented by Connie Smith, Postal Manager

The U.S. Postal Service Office of Inspector General invites you to comment on the following: This week's "Pushing the Envelope" blog topic: Are You Using the Postal Service App? Since the 2009 launch of the U.S. Postal Service's first mobile application, nearly 985,000 customers have downloaded the app and over 50,000 use it at least once a week. In January the app was upgraded to include mobile scanning. Have you downloaded the app yet and what has your experience been with using it?

BBC: MPs have challenged a regulator about plans to remove price caps on first-class stamps and raise the price limit on second class to as much as 55 pence. Ofcom, which has taken over regulation from Postcomm, made the proposals owing to "huge changes" in the industry. Officials from the regulator told the Business Committee that the average UK family now spent less than 50p a week on mail services.

<u>Bradenton Herald</u>: Overdue financial reforms for the U.S. Postal Service should be a priority delivery. They should not include new sources of revenue that directly compete with existing businesses. Congress is of two minds, and the stalling is costing a bundle.

Wall Street Journal: "Europe Reaches a Greek Deal." [EdNote: Congress nowhere near a U.S. postal deal. Looks like Greece won't need the drachma.....Maybe the Postal Service does.]

Sun Star: Several employees of the Philippine Postal (PhilPost) Corporation in Eastern Visayas are in danger of losing their jobs as the office has now been merged with its counterpart in Central Visayas. The PhilPost Eastern Visayas merger with the PhilPost Central Visayas, which took effective February 1, was part of the rationalization plan of the government.

Reuters: Deutsche Post DHL said it expects regulators would have concerns about any plans for a combination of U.S. rival United Parcel Service with TNT Express.



yields better results; identity resolution is essential, and delivering the right message to the

Support & Client Relations, Experian

will share practical approaches, industry/client examples, and useful tips to move your marketing forward. Key topics include: • Adopt a four-stage customer engagement framework to understand your customer's journey • Conduct benchmarking

right person at the right time is key. **Dave Duszynski, Director, Sales**

Marketing Services

to determine your company's level of engagement maturity • Improve capabilities and drive quantifiable business results with a diagnostic methodology

The Telegraph: Plans to raise the price of stamps are likely to have a "disastrous" effect, with the elderly and the vulnerable - as well as small businesses - among the worst hit, according to an MP leading a Commons probe into the proposals.

Businessweek: TNT Express NV, the Dutch express- delivery service in takeover talks with United Parcel Service Inc., said it will refocus operations on Europe as financial losses mounted. The 2011 operating loss at Europe's second-largest express- delivery service was 105 million euros (\$139 million) compared with earnings before interest and taxes of 180 million euros a year earlier, the Hoofddorp, Netherlands-based company said today. Sales climbed 2.7 percent to 7.25 billion euros. TNT Express, which was spun off from the former Dutch national postal operator in May, will seek cooperation agreements with airlines to carry goods outside Europe and partnerships to provide services in China and Brazil. TNT Express is in talks with UPS after rejecting a 4.89 billioneuro offer on Feb. 11 from the Atlanta-based company. See also Wall Street Journal.

Bloomberg: FedEx Corp. (FDX) may try to jump into the bidding for TNT Express NV (TNTE) after the board of Europe's second- largest package-delivery company rejected a \$6.43 billion offer from United Parcel Service Inc. (UPS), investors and analysts said. "FedEx is the most obvious" potential TNT suitor besides UPS, said Katrina Dudley, a portfolio manager at Mutual Series, a Franklin Templeton Investments unit whose funds own TNT stock. "It is a once-in-a lifetime chance for one of the players to create what I see as a strong global parcel franchise."

Washington Post: The Smithsonian has acquired the tapes, documentation, copyrights, and over 50,000 lines of code that chronicle the invention of e-mail. The lines of code that produced the first "bcc," "cc," "to" and "from" fields were the brainchild of then-14-year0old inventor V.A. Shiva Ayyadurai. On Thursday, his name, his 1978 invention documentation and the associated copyright were entered in the Smithsonian permanent collection. Ayyadurai's path to the Smithsonian started with a series of articles he wrote about the U.S. Postal Service's decline and his concern that the USPS was failing to innovate. His take: The Postal Service, carrying on the spirit of innovation which led to its creation, should have embraced e-mail years ago.

Business Daily Africa: Postal Corporation of Kenya is adopting a new business strategy that will see it offer government services such as processing of driving licences, birth certificates and passports for a fee to boost its dwindling revenues. The diversification drive is aimed at reducing over-reliance on sending letters and parcels that are facing stiff competition from new technology like e-mails and SMS. The State firm is targeting county governments that lack certain services such as processing of driving licences, birth certificates and passports issuance.

February 20, 2012

Post & Parcel: Itella said its Mail Communications unit saw revenues increasing by 0.9% but with continuing mail volume declines, profitability "decreased clearly". Itella Information, the business services unit, also saw its profitability decreasing despite a 5.4% growth in sales. Only in Itella Logistics, the parcel and supply chain unit, did the company show improvement for the year, with operating losses reducing as sales increased 8%. Alho said his company had seen some positive signs in its traditional mail activities, particularly the "robust growth" in parcel volumes from the growth in online commerce. Commenting on the year's results, he conceded that the company's profitability had weakened, but that much of the impact had come from one-off costs such as a downsizing of the workforce.

<u>Wall Street Journal</u>: Shares in Dutch package shipper TNT Express NV Monday jumped beyond the value of United Parcel Service's 4.9 billion (\$6.44 billion) unsolicited offer on speculation on the likelihood of a higher offer or a bidding war. Following Friday's announcement of UPS's 9-a-share bid, debate turned quickly to how much

higher UPS may bid and whether FedEx Corp. will launch a takeover battle for the smallest of four global shippers that dominate the transportation of time-sensitive documents, consumer electronics and industrial parts.

PostalLegislation.com: This site will follow legislation and issues that affect Postal Employees. It will track bills,

Committees, Federal Employee Issues and provide a place to contact your Congressmen. [EdNote: Welcome!]

International Freighting Weekly: Saudi Airlines Cargo has linked up with DHL Global Forwarding to launch weekly B747 freighter services linking Dubai with Brussels and Amsterdam in Europe. From next month, Saudi will operate direct flights from Brussels twice a week and once a week from Amsterdam to the new Al Maktoum International Airport at Dubai World Central from next month. The new service enables Saudi Airlines Cargo to offer direct capacity from Europe to Dubai, said a senior official.

Businessweek: TNT Express NV, Europe's second- largest express-delivery service, is facing pressure to seal an improved sale agreement with United Parcel Service Inc. as investor confidence in its ability to improve margins flags. TNT Express, which said Feb. 17 it rejected a 4.89 billion- euro (\$6.43 billion) takeover offer from UPS, is seeking a bid higher than the current 9 euros per share, according to a person familiar with the negotiations who asked not to be identified because the talks are private. The bid represented a 42 percent premium on the stock's Feb. 17 closing price in Amsterdam. The Dutch company's board is also unhappy with conditions attached to the current offer that may require divestitures to win regulatory approval and possibly lead to job cuts, the person said. TNT Express is focusing on the talks with Atlanta- based UPS because FedEx Corp. has thus far shown little interest in bidding, the person said.

CTV: The growth of online retailers represents the biggest opportunity in a generation, but Canada Post chief executive Deepak Chopra says the post office first needs to change to survive as fewer letters get delivered each year. Chopra says the organization is going through its biggest upheaval since the introduction of postal codes and machine sorting of mail. And while the number of windowpaned envelopes with the latest Visa bill or bank statement are decreasing as users turn to electronic alternatives, the volume of yellow-padded envelopes with the latest eBay purchase is on the rise. "We're on the verge of a massive explosion in e-commerce," said Chopra, who marked his first year in the top job at the Crown corporation this month.

ShareCast: Escher Group, the provider of point of sale software to the postal industry, has revealed that the contract win announced on February 8th was with the United States Postal Service (USPS). USPS awarded Escher Group the contract to provide Riposte licensing, maintenance and services as part of their Retail System Software (RSS) project. The contract, which has a 54-month base period and renewal options, is expected to generate, over a fifteen-year term, around \$50m in revenue for the group, but with scope for substantial additional revenue.

Wall Street Journal: After weeks of brinkmanship, bad blood and missed deadlines, a Greek debt deal may finally be within reach. European finance ministers will meet on Monday to decide whether to approve a €130 billion (\$170.9 billion) bailout package designed to bring Greece's debts down to 120% of GDP by 2020. [EdNote: What a pity. It appears the European Union has solved its Greek problem, while Congress has yet to come to grips...seriously and realistically...with its postal problem.]

Seattle Times: Congress and the Postal Service know the path ahead for ending massive deficits. Stop expensive prepayments for employee health benefits and close facilities as postal use plunges. Congress is wrestling with how to staunch the losses at the Postal Service without dramatic changes. It is wishful thinking. Congress is of two minds, and the stalling is costing a bundle. The Postal Service does not need to go into the wine and spirits delivery business. Others have that covered. Other desperate proposals would have the Postal Service collaborating with local and state government to take on tasks like selling fishing and hunting licenses. Stay focused on mail delivery. Make postmarks count, so bill payers do not suffer late fees with slow delivery. In that same spirit, do not compromise mail ballots with tardy delivery. Again, make postmarks count.

emisourian: For years we have wondered about the future of the U.S. Postal Service. Can this independent agency of our government survive? Does it have a future if it continues to raise prices and curtail service? By cutting service and raising prices, we don't see how the agency is going to maintain what business it has now. We would expect a loss of business as mailers seek alternative services to deliver their products. Congress must recognize that it has an obligation to help provide this basic service to Americans. Look at the amounts of our money that leave the country and go to other nations for numerous services. We have international obligations, but we have our priorities mixed up. Our needs at home should be given a higher priority. One of those urgent needs is postal service. The latest plan, however, is not a blueprint for survival. One solution may be to privatize the postal service. That should be considered. We don't see how reducing service while raising prices is going to maintain what USPS has in business now. That's not a business plan that will promote growth.

Federal Times: Congress so far has balked at allowing USPS officials to pursue their cost-cutting agenda. More than half the members of the House have signed a resolution opposing an end to Saturday delivery. And pressure from Senate Democrats led the Postal Service late last year to freeze closings of any post offices or processing plants until mid-May. Their objections have also helped block action by the full Senate on the bill that could eventually allow the shift to five-day delivery. Many observers doubt that lawmakers will approve any postal reform legislation until after the November election.

Star Ledger: Frederic Rolando, President, National Associaiton of Letter Carriers -- The U.S. Senate soon will debate the 21st Century Postal Reform Act, a deeply flawed bill designed to "save" the Postal Service by downsizing it dramatically. The legislation, as written, will drive mail out of the postal system, thereby reducing revenue. Although this bill would reduce the level of retiree health prefunding, it would not solve the problem. Congress should require prefunding only when the Postal Service is profitable, or repeal the prefunding mandate. The USPS has already set aside more funds for future retiree health benefits than any company in America, and it makes no sense to force the organization to prefund even more, when the entire system is at risk because of it. Unless S1789 is dramatically restructured, it will not save America's postal network. Rather, it will threaten the survival of a venerable institution based on the Constitution, which would upset the livelihoods of the people, communities and businesses throughout New Jersey that depend on a strong, reliable service.

Digital Journal: 50-cent postage stamps? People already using the postal service far less for items relating to correspondence and bill paying. Due to electronic means to conduct business, commercial mail has significantly reduced as well. According to USPS statistics, use of First-Class Mail has declined 25 percent since 2006. In its document, the agency noted this steady decline curve indicating, "Transactional volume declining due to ediversion," Advertising mail is subject to more substitution options," "Mail volume highly sensitive to economic changes," and "Mail mix changes – lost profit contributions." And another postage hike will help, how? Will it make a difference? Seems this would just be a bigger deterrent, while many customers likely didn't mind the recent penny increase, they might think twice with adding another nickel to the cost to mail a single letter or bill.

February 18, 2012

Sun Star: The Central and Eastern Visayas regional offices of Philippine Postal Corporation (PhilPost) will merge as one branch office this year. Tacloban Branch PhilPost chief operations officer Cirio Oscar Espos said the move was part of the rationalization plan of PhilPost Corp.

PRLeap: Businesses in the UK have been urged to make the most of the available opportunities abroad by exporting their goods to new territories. Parcel2Go, Britain's largest online parcel delivery specialist, says companies should look to countries such as Australia and New Zealand for growth.

<u>KY3</u>: The weekly paper has been a constant pillar in a world of change. If the postal cuts happen, it could be the final page for this newspapers long history. One option is to stop the press, for good, and go completely online. The problem is a lot of people don't have computer or internet.



- PostalOne! MicroStrategy Reporting Maintenance: On Sunday, February 19, 2012 the PostalOne! MicroStrategy reporting environment will be unavailable to internal and external users during the scheduled maintenance window of 4:00 a.m. through 8:00 a.m. CST to allow for system maintenance. During the outage internal users will not be able to access Verification and Performance Reports for Business Mail Acceptance, Electronic Mail Improvement Reporting and Service Performance Measurement. External users will not be able to access the Mail Data Quality Reports. Other PostalOne! application components will not be affected.
- *PostalOne!* Patch Release 29.0.4 Maintenance: On Sunday, February 26, 2012 the PostalOne! application will deploy a software patch release installed in a rolling fashion with no outage to the PostalOne! application. This patch release (29.0.4) will occur during the scheduled maintenance window from 4:00 a.m. through 8:00 a.m. CST and will correct known issues in Release 29.0. No system availability or performance issues should be experienced by users.

If you experience any issues please contact the help desk for assistance at 1-800-522-9085.

February 17, 2012

Link: First-Class Mail and Standard Mail declined by 4 percent and 6 percent respectively last quarter, which continues to negatively affect the Postal Service's mail volume and revenue. But according to Chief Financial Officer and Executive VP Joe Corbett there also is some good news from the organization's quarter 1 financial results. "By any objective measure, USPS just completed a remarkable quarter," reports Corbett. "We had a reduction in quarterly work hours of 8 million." [EdNote: Close the doors. Turn off the lights. And you'll have a 100% reduction in work hours.]

American Postal Workers Union: The Postal Service's latest five-year plan, which it announced with great fanfare on Feb. 16, is "a warmed-over menu of proposals that are doomed to fail," said APWU President Cliff Guffey. "The Postal Service cannot cut its way to financial health. The USPS must modernize, improve service, and offer new products in order to succeed," he said.

Post & Parcel: Whether a public or private company, sick leave can cost money. In Croatia, a country where the service sector dominates the economy, taking sick leave can have real implications not only for colleagues but the entire country. This is particularly true in an industry where timely deliveries matter. Last year, Croatian Post continued to reduce the number of sick leave days per employee. In 2010, the average for Croatian Post was 15 sick leave days per employee, - already better than the state average of slightly over 16 days. However, in 2011, the average was further improved to 14.29 days per employee and compared to 2009, a 22 percent decrease.

Post & Parcel: Australia Post said this week that it is now effectively a "two-speed business", with letter volumes and profitability dropping away quickly, while parcel volumes are surging thanks to the boom in e-commerce. Australian Postal Corporation chief executive Ahmed Fahour told a Senate estimates hearing on Tuesday that a "systemic shift" in society towards digital mail and away from physical mail meant letter volumes are declining 6.3% this year. "This takes our letters business backwards to levels not seen since the 1990s," he said. Parcels, on the other hand, are seeing volumes growing by 10.2% at present, with December's volumes up 20% on the previous year, with 3m more parcels delivered than in an ordinary month. "We are managing a two-speed business," Fahour said. "Our peak period leading up to Christmas really highlighted a widening gulf in the volumes and profitability of our letters business and our parcels business."

Sys-Con: Just when the US Postal Service looks down for the count, a self-funded Seattle start-up called PaperKarma figures its destiny is to suppress junk mail on which the post office depends.

Toronto Star: Obituaries for the post office have long been written, and somehow it survived. But Canada Post's chief executive officer believes the biggest threat now looms in the form of tablets. "The last 40 years we've enjoyed the greatest bull run in our industry. But now paper has a real competitor," said Deepak Chopra, who just marked his first year at the helm of the Crown corporation. "I feel it's a race against time to reposition our business."

Courier, Express and Postal Observer: The Postal Service has presented a 5-year business plan that it calls a Plan for Profitability. The plan represents the impact of the investment bank Evercore partners and clearly indicates that Evercore was required to develop a plan that maintained the financial and market restrictions of a quasi-governmental Postal Service. Therefore the plan differs significantly from successful plans for profitability of most foreign postal administrations. The two key differences are 1) the plan does not include an infusion of capital, mostly coming from private sector; and 2) the plan does not include the commercial freedom to fully exploit the value of the Postal Service band or its human, physical or intellectual property assets.

U.S. Postal Service:

- The USPS has posted on RIBBS some preliminary information on the next version of the mobile barcode incentive: https://ribbs.usps.gov/index.cfm?page=mobilebarcode
- New business plan charts path to financial stability

Memphis Commercial Appeal: United Parcel Service, the world's largest package delivery company, is still in talks to acquire TNT Express even after the Dutch package

delivery company rejected a \$6.43 billion bid. The bid works out to €9, or about \$11.84, per share. That's based on TNT's 534.2 million outstanding shares. See alo <u>Bloomberg Business Week</u> and <u>Wall Street Journal</u>.

■ Inside Tucson Business: The possible closing of the U.S. Postal Service processing center in Tucson is raising concerns - not only about the direct job losses but also the potential residual impacts to other businesses and throughout the region.

DMM Advisory: IMb™ Services Update.

- Reminder: *PostalOne!* MicroStrategy Reporting Maintenance On Sunday, February 19, 2012, the *PostalOne!* MicroStrategy reporting environment will be unavailable to internal and external users during the scheduled maintenance window of 4 a.m. to 8 a.m. CST for system maintenance. During the outage, internal users will not be able to access Verification and Performance Reports for Business Mail Acceptance, Electronic Mail Improvement Reporting and Service Performance Measurement. External users will not be able to access the Mail Data Quality Reports. Other *PostalOne!* application components will not be affected.
- **PostalOne!** Patch Release 29.0.4 Maintenance On Sunday, February 26, 2012, during the scheduled maintenance window from 4 a.m. to 8 a.m. CST, the *PostalOne!* application will deploy a software patch release in a rolling fashion with no planned outages. This patch release (29.0.4) will correct known issues in Release 29.0. Users should not experience system availability or performance issues during the deployment.
- FAST Release 19.2 Deployment: Facility Access and Shipment Tracking (FAST) Release 19.2 will be deployed to the Production environment on Sunday, February 26, 2012, from 4 a.m. to 8 a.m. CST. During the deployment, the FAST Online Application will remain available, but FAST Web Services messaging will not be available. All FAST Web Services messages received during the outage will be queued and processed after FAST Release 19.2 deployment is completed.

If you have any questions or require any additional information, please contact the FAST Help Desk (FAST@usps.gov or 1-877-569-6614).

Example 2011, February 17, 2012, At 12:00 Noon (EET)

New York Times: Hungry for revenue, the United States Postal Service is out for its own slice of the American wedding business. Figuring that a majority of couples are still choosing traditional printed invitations for their

weddings, rather than "e-vites" and other Web communications tools, the Postal Service has been issuing stamps featuring cakes, flowers, gold bands and other wedding themes.

Federal Times: The U.S. Postal Service may resort to early retirements and buyout offers as a way to slash its staff by 66,000 employees this year and another 51,000 next year. Combined, the planned cuts over the next two years amount to more than one-fifth the agency's workforce.

The latest issue of the PostCom Bulletin is available online. In this issue:

- The Postal Service, this week, unveiled an updated business plan through 2016. It will walk all of its stakeholders through this figures, including the Administration, Capitol Hill, leaders of various committees, OMB, Treasury, GAO, PRC, and customers, employees, and suppliers. Joe Corbett, USPS EVP and CFO spoke to the media this week. He spoke of the importance of everyone understanding the plan and the importance about executing the plan as soon as possible.
- PostCom recently circulated a write-up showing the Postal Service's \$20 billion cost reductions by 2015
 and how current legislation does not provide the USPS the flexibility it needs to achieve these savings. The
 new plan will show a cost reduction of \$22.5 billion by 2016. The main components of the business plan
 are no different than that of the \$20 billion plan.
- The U.S. Postal Service this week at the quarterly meeting of the Mailers Technical Advisory Committee (MTAC) announced its plan to sunset use of the POSTNET barcode in January 2013 and allow only the Full-Service Intelligent Mail barcode (IMb) to qualify for automation discounts starting in January 2014.
 Currently mailers can use POSTNET, IMb Basic or IMb Full-Service barcodes to qualify for automation discounts.
- The Postal Service plans to file with the Postal Regulatory Commission its intent to offer a mobile barcode discount from July 1 August 31. The objective of the promotion is to promote new value of mail and to incent mailers to invest in mobile barcodes. The implementation of this program is dependent upon Commission approval.
- Tale of UPS's missing and broken. FedEx invests in advanced print technology. NALC contract update. USPS to hold 'grow you business day' workshop. Shop Talk: A new reality for direct mail. USPS plans to implement consolidations as soon as moratorium ends. Why QR codes won't last. Network redesign efforts continue. New USPS approach on post office closings coming? MTAC works toward new structure. PostCom's newest member.
- An update from the USPS Office of Inspector General.
- A review of postal news from around the world.
- Postal previews.

Hey! You've not been getting the weekly PostCom Bulletin--the best postal newsletter anywhere...bar none? <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.



The PostCom Bulletin is distributed via NetGram

February 16, 2012

Senator Thomas Carper: Today, Sen. Tom Carper (D-Del.), chairman of the Senate subcommittee that oversees the U.S. Postal Service, released the following reaction to the announcement of the U.S. Postal Service's most recent business plan:

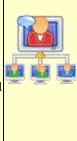
"Today the U.S. Postal Service provided members of Congress with an updated version of its business plan – including revised financial statements and projected future losses – that painted a disturbing, but unfortunately all too familiar, picture of the Postal Service's bleak financial outlook. This comes a week after the Postal Service announced that it had lost \$3.3 billion in the first quarter of fiscal year 2012 - traditionally the most profitable time of year for the Postal Service. "The picture here is perfectly clear – unless Congress acts quickly and significantly to provide the Postal Service with the tools and resources it needs to modernize its business model, this American institution will be insolvent within months. This is a dire situation, but it is not hopeless. We can save the Postal Service for future generations – and without further burdening taxpayers - if we act decisively and strategically. "Make no mistake, the Postal Service's financial situation is very grim and growing worse by the day. Any responsible and effective solution will require shared sacrifice from Postal customers, Postal management and Postal employees. We can't simply nibble around the edges if we want the Postal Service to survive – we have to move forward with significant reforms. I am committed to working with my colleagues to move forward in the coming weeks with comprehensive, bipartisan legislation to provide the freedom and the flexibility the Postal Service needs to survive and ultimately thrive in the 21st Century. Given the current financial outlook of the Postal Service, it is abundantly clear that we haven't a moment to waste in this important effort."

Wall Street Journal: The U.S. Postal Service proposed drastic changes to its operations Thursday, including cutting more than 150,000 jobs from its payroll, raising the price of a first-class stamp to 50 cents and extending delivery time for long-distance mail, as part of a plan to save \$22 billion annually. Without those changes and others--including likely ending Saturday delivery--the Postal Service projects to incur annual losses exceeding \$18 billion by 2015, Postmaster General Patrick Donahoe told members of Congress in a letter urging them to take swift action on proposed reforms. See also Reuters. [PMG's Letter to Congress] [Slides used during the USPS presentation]



USPS End-to-End Visibility: Using Data to Drive Service Performance and Network Optimization

Please join the Association for Postal Commerce and the Mailing and Fulfillment Service Association for a free webinar at 1-2 pm EST on Thursday, March 15 as Jim Cochrane, USPS Vice President Product Information will share details on how the USPS is investing in technology to provide end-to-end visibility on mail and packages. A behind the scenes look at enhanced service performance diagnostics will provide examples of how the USPS is using data to drive service performance and support network optimization. Finally, the Full Service adoption and communication plan will be shared as the USPS works closely with industry and customer outreach.





2012 National Postal Forum - April 1-4 Orlando, FL

FIRST TIME EVER at the National Postal Forum....

Attention PostalOne! Users: A fix is now available for the following issue which prevents the acceptance of files into PostalOne!. Error 4036 has been changed to a warning message. To adopt this change, restart the Mail.dat client. Issue: Users who have sent original and update files containing all required files are receiving error 4036* preventing acceptance of the file in PostalOne! In the interim be alert to the situation where message 4036 is a valid error and take care to correct the file submission so that the job passes full-service processing without a

subsequent error. The issue 93191 remains open until we discover the root cause and a solution. At that time we will switch 4036 back to an error message

Mail Group to provide postal services to the Scottish public sector. The contracts will run from 1 March 2012 to 28 February 2015. The work has been split into two lots. Lot 1 was awarded to TNT Post Scotland, and covers 'ad-hoc mail' − the collection and delivery of day-to-day post. It also covers 'hybrid mail' − where mail is created electronically at desktops, and sent off-site for secure production and delivery. This innovation will reduce both spending on stationery and carbon emissions associated with the collection of mail.

<u>Postal Technology International</u>: DHL will be the official logistics partner during Denmark's EU presidency. All Danish Ministries will use DHL's carbon-neutral GoGreen products and services, thereby reducing the direct environmental impact of meeting activities as well as setting a signal for social and economic responsibility. Across its business units, DHL responded to a sponsorship invitation from the Danish Ministry of Foreign Affairs requesting the sponsorship of 'Sustainable Products and CleanTech solutions'.



April 16-17, 2012 Washington, DC Be sure to

register!

Financial Times: While a Moscow online shopper can have a courrier deliver seven pairs of shoes (and immediately hand the courrier back the six pairs that don't work), shoppers in the regions must rely on the snail-speed of Russia's sometimes unreliable postal system. For Russian e-commerce business, goods' 'returnability' will likely prove one of the biggest obstacles.

The News Journal: It's long past time for Congress to get serious about reforming the U.S. Postal Service. Unfortunately, the latest sign of its reluctance to do that comes in a letter from 27 senators. The protesting senators, led by Sen. Bernie Sanders of Vermont, want to give Saturday delivery another four years before it can be changed. The Sanders group is a delaying action. Change is still coming.

The latest issue of our PostEuropNEWS is available for download at the following online link: http://www.posteurop.org/penews.

Hellmail: Internet retail is set to generate half the UK's parcel volumes during the pre-Christmas peak within five years, according to new research.

Mashable: A recent study by comScore states that only 14 million American mobile device users have have interacted with a QR code. In essence, less than 5% of the American public has scanned a QR code. Inadequate technology, lack of education and a perceived dearth of value from QR codes are just three of the reasons mobile barcodes are not clicking with Americans. Enter mobile visual search (MVS). With MVS, you simply point at a product or logo and shoot a picture with your smartphone's built-in camera. Within seconds, the MVS application will provide product or company information, or even the option to make a purchase right then and there on your mobile device. In addition to being a more versatile medium, mobile visual search is also more secure than QR code technology. Cybercriminals are able to cloak smartphone QR code attacks due to the nature of the technology — QR codes' entire purpose is to store data within the code. There is no way to know where that code is going to take you: a legitimate website, infected site, malicious app or a phishing site. MVS's encryption modality will eliminate the opportunity for malicious code to download to your smartphone.

American Postal Workers Union: In a meeting with the APWU on Feb. 13, postal officials notified the APWU that they plan to begin consolidating mail processing facilities as soon as the moratorium on consolidations ends. The moratorium is set to expire on May 15. Top-level postal managers were unable – or unwilling – to specify

which mail processing centers would be closed immediately. Decisions will be made at the end of February, they said. At the conclusion of the process, approximately 200 of the 461 mail processing centers will remain, the postal officials reported.

<u>United Parcel Service</u>: UPS has acquired Kiala, a firm based in Brussels that provides convenient delivery options to busy consumers purchasing goods over the Internet. Kiala was launched in 2001 as a private firm and currently operates in five countries: Belgium, France, Luxembourg, the Netherlands and Spain. It has developed a platform that enables e-commerce retailers to offer their shoppers the option of having goods delivered to a convenient retail location. The acquisition will broaden UPS's service portfolio for business-to-consumer deliveries.



WindowBook A webinar: Intro to Intelligent Mail. Tuesday, February 21, 2012 2:00 PM - 3:00 PM EST Register to attend.

February 15, 2012

The postal legislative rhetoric in Washington these days is about getting everyone in the postal business to put some "skin in the game." Postal Washington has already taken enough skin from business mailers. Rates have gone up. Service has gone down (the equivalent of another rate increase--paying more, getting less). In the meantime, Congress hasn't done a darn thing about the billions spent on Treasury payments that are more than needed. Nor has Congress done anything to help trim the size of the Postal Service's physical and human infrastructure to more appropriately match reasonably predictable reduced workload needs. Mailers have undergone already their share of the skinning. It's time to look elsewhere and do something different.

Wall Street Journal: General Motors Co. is eliminating annual pension contributions for U.S. salaried workers who still receive them and will pare 2011 bonuses for all salaried workers, the auto maker said on Wednesday. The company will pay smaller annual bonuses despite an expected record profit because net income is only one factor in determining payouts. The company's 2011 margins are expected to be dragged down by troubles in Europe, spending on new products and inefficiencies throughout the company. [EdNote: There was a time when postal unions wanted their workers' compensation and benefits to mirror those of auto workers. Betcha they don't feel that way today.1

Wall Street Journal: UPS is reporting widespread, scattered technical problems affecting tracking and processing of packages. United Parcel Service Inc. spokeswoman Susan Rosenberg said Wednesday that the outages are not affecting the movement of trucks or any other part of the operation. The problem is with some shipping applications that customers use to input and track shipments. Some are reporting problems getting into the system.



PostCom welcomes its newest member: Weekly Retail Service 36 Eastwood Boulevard Manalapan, NJ 07726-8412 Contacts: **Thomas Smith**, Principal and **Jack Widener**, Principal

ERR News: The state-owned postal service Eesti Post has announced that it is expanding to Lithuania where it will be installing a total of 35 automated outdoor parcel terminals in cities and towns throughout the nation. The self-service machines, which operate around the clock, will allow users to send packages to any other parcel terminal within the country.

Committee (MTAC)

Mailers' Technical Advisory Postmaster General Patrick Donahoe this morning told members of the Mailers Technical Advisory Committee (MTAC) that the USPS starting this week will launch an intense communications campaign

around its updated business plan. "We need to get this message out now, so people understand we have to act now," Donahoe said. "Putting a couple of pieces together and holding your breath is not the solution," he said, noting that

the most recent financial report shows the gravity of the USPS' situation. "If we do nothing," the PMG said, we will be in an untenable position and with the trends in our revenue stream, we won't be able to get out of that position."

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

- The implementation of Deutsche Post's E-Postbrief is advancing slower than anticipated. Some 1 million private customers as well as 100 key accounts and 4,000 mediumsized enterprises have already registered with E-Postbrief.
- Brazil's Federal Supreme Court lifted the injunction against the tendering procedures for franchise contracts for post offices.
- The dispute between Poczta Polska and InPost enters the next round. The mail service bypasses Poczta Polska's reserved area by adding metal plates to letters weighing less than 50 grammes. According to unanimous media reports Poczta Polska now specifically targets InPost's customers to win them back by offering them discounts. This practice could lead to action from the EU-Commission as Poczta Polska doesn't charge VAT on its services. According to EU guidelines only universal services with prices approved by official authorities can be exempted from VAT.
- Will Portuguese CTT Correios be privatised sooner than expected? According to Jorge Cardoso, CEO of investment bank Caixa Banco de Investimento, Correios was one of the stateowned companies which already are to be sold this year due to the countries debt crisis.
- ☐Irish An Post gets into trouble with regulatory authority ComReg due to missed service targets again.
- Romania's government has agreed to a demand from the International Monetary Fund (IMF) and will instruct the state-owned postal service to fire 600 employees.
- Austrian Post has launched the comprehensive delivery of bundled advertising mail called Kuvert. With a circulation of 3.2m copies Kuvert will be delivered to all private households in Austria two times a week. Unlike Deutsche Post's comparabel product Kuvert won't feature an editorial section.
- Deutsche Post will launch a trend-setting service portal for parcel customers over the next few weeks.
- E-commerce continued to boom in France in 2011. At the end of January the e-commerce association Fevad reported that total turnover climbed 22% to 37.7bn euros. Overall more than 420 million transactions were conducted, up 23.5%.
- TNT Express lost its courier licence in Ghana. On Monday the country's regulatory authority announced that it revoked the courier licence of 19 companies altogether, effective January 1 2012.
- Israel's postal service apparently is on the brink of bankruptcy.
- bpost will launch an own prepaid debit card later this month. Daily news Standaard® claims that the card will be a Mastercard which can be recharged like a cell phone's SIM card.
- Following reports of untenable working conditions at its subcontractor in Hamburg, Deutsche Post cancelled the contract with this firm. Previously, negotiations between Deutsche Post and Hamburger Fahrzeug- und Transportlogistik (HFL) about better payment and labour conditions failed. From April 1 on Deutsche Post plans to ensure deliveries in Hamburg by an intra-group solution.
- Postuguese CTT Correios trials an alternative branch office concept. In a pilot test CTT now established a '21st century post office' based on technology from US firm Escher. Services in the 24-hour operating self-service station include letter and parcel franking and posting, bill payment and other financial services. According to Escher more of these fully self-service kiosks will be deployed later this year.



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

interdisciplinary advice for all major questions of the market, as there are for example market entry, product design, organisation, and EDP. <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.)

Caithness Courier: Postal pricing proposals have two Caithness politicos sparring. Local MP John Thurso and his Holyrood counterpart, Rob Gibson, are at loggerheads over media watchdog Ofcom's plans to change the price of stamps and delivery charges. Mr Gibson claims Ofcom proposes to restrict the Universal Service Obligation - a guarantee giving the same service to everyone in the country - to second-class mail only. This could mean there would be no capped fee for what organisations could charge for first-class deliveries. But John Thurso said there is no plan to change this and it has not been considered by the Government, Royal Mail or Ofcom. Meanwhile, Ofcom has said rural areas will not be at greater risk of price hikes than anywhere else in the country if pricier first-class stamps are given the green light.

New York Times: How often does a U.P.S. delivery go wrong? A spokeswoman for the company, Susan Rosenberg, said the information is proprietary. She added that the company moves 15.8 million packages a day, on average, which is obviously a gigantic number. It means that if U.P.S. botches just one-half of one-tenth of 1 percent of all deliveries — which to the Haggler's ears sounds like an enviably low failure rate for anything — it bungles a little less than 8,000 deliveries a day. Maybe this is about expectations. U.P.S. promises "to choreograph a ballet of infinite complexity." But when the dance goes wrong, the system feels more like a mosh pit.

National Association of Letter Carriers: Federal Mediation and Conciliation Service Director George Cohen announced Monday that he has appointed attorney Joshua Javits as mediator to assist NALC and USPS in reaching a new collective-bargaining agreement. An impasse was declared after USPS declined on Jan. 20 to extend talks toward a contract. Once mediation begins, the NALC and USPS will have 60 days to reach an agreement. If they fail to do so, the issues will then be submitted for final and binding resolution before an interest arbitration panel, which under law must consider all the evidence presented by both parties.

February 14, 2012

Memphis Commercial Appeal: One of Memphis' largest drug trafficking rings routinely shipped millions of dollars worth of cocaine from Mexico to the U.S. through FedEx, according to one of the admitted drug traffickers.

BusinessWire: FedEx Office(R), the leading provider of printing and shipping services, knows that businesses need cost-effective and scalable solutions to printing challenges. To help solve customer challenges, FedEx Office is accelerating investment in its infrastructure by adding additional high-end, commercial production equipment. The company is deploying new grand-format inkjet printing devices to its centralized production centers across the country for producing rigid signs, banners, posters, point of purchase materials, oversized prints and more. Also, it is expanding its experienced workforce by hiring more team members. FedEx Office was recently awarded a four-year contract from Boeing, the world's largest aerospace company and leading manufacturer of commercial jetliners and defense, space and security systems. Effective March 1, FedEx Office will serve as Boeing's primary print provider, producing critical operations, sales, and large/grand format printed materials.

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

- The Postal Service published its unaudited December results with the Postal Regulatory Commission. USPS lost \$1.4 billion in December 2011. The Postal Service's controllable operating income for the month was \$100 million. The loss is due to the Postal Service Retiree Health Benefit Fund prepayment of \$1.2 billion and a workers compensation adjustment of \$309 million.
- The Administration has released the 2013 budget for the federal government. Contained in this budget are several proposals affecting the Postal Service. The Administration would like to provide the Postal Service with financial relief while undertaking certain reform measures.
- In light of first quarter financial reports that the U.S. Postal Service would have generated \$200 million in profits had it not been required to pre-fund its future retiree health benefits, Senator Bernie Sanders and

- Rep. Elijah E. Cummings, Ranking Member of the House Committee on Oversight and Government Reform, called for the passage of legislation to reform this burdensome requirement, which no other federal agency or private sector company faces.
- According to the NALC, "President Barack Obama today released his budget for Fiscal Year 2013. Of specific concern is the call for giving the USPS the authority to reduce mail delivery service from six days a week to five as soon as early as January 2013. "Eliminating Saturday delivery is a counter-productive proposal that would degrade services to the public and to businesses, threaten the viability of the Postal Service itself, and begin to dismantle the universal network that has served the country well for 200 years," NALC President Fredric V. Rolando said."
- The Association for Postal Commerce (PostCom) submitted its comments to the U. S. Postal Service in response to its proposed rules concerning service standard and network design changes. "We cannot emphasize enough the need for the Postal Service to utilize extreme caution as it is developing and implementing these proposed changes," PostCom advised, noting the critical importance of service and the impact it has on businesses when the USPS fails to achieve its published standards. The association further stressed that "[b]uilding and maintaining confidence in mail as a business transactional medium is paramount to the future of the Postal Service and the businesses that use it." To that end, PostCom laid out a series of questions that concern its members and other mail users, "the answer to which could greatly impact our confidence."
- This paper expands that analysis by introducing the concept of a Postal Service-offered smart card that could be called the "USPS Global Card." This postal-centric version of a smart card would not only provide consumers with an access key to current and future postal services and other government and commercial applications, but could be enhanced over time to also provide consumers with an increased level of security and privacy in daily transactions, information management, and data storage wholly unmatched by today's alternatives.
- One of the initial projects is to create a Value Stream Map of the costing process using Lean Six Sigma principles and tools. This will document the current system and will also help identify what modifications may be necessary in the future, based on the business decisions the USPS will need to make. The results of the Value Stream Mapping project not only will provide useful and constructive input to the other projects, but may also change the way they are approached and completed.
- Western National Insurance 1st insurance to adopt digital postal mail by Zumbox. USPS fallout: Dems seek to treat bills as paid once they are postmarked. PaperKarma stops junk mail with a snap of a photo. USPS finds no significant impact on environment for network initiative. UPS lifts quarterly dividend 9.6%. NPMHU offers additional comments opposing USPS' service standards changes. Hinchey, lawmakers call for moratorium on PO closure studies. House members seek moratorium on USPS plans to close post offices. Sen Johnson, other senators make Postal Service proposals. Senate Dems hit back against Lieberman's postal reform bill.
- Updates from the Domestic Mail Manual.
- Updates from the Federal Register that affect the mailing industry.
- An update from the USPS Office of Inspector General.
- A review of postal news from around the world.

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.



The PostCom Bulletin is distributed via NetGram

Los Angeles Times: With Postal Service cuts threatening to slow mail delivery, a group of lawmakers is pushing legislation to require banks, credit card companies and other businesses to credit a customer's account on the date a payment is postmarked rather than the date it is received. The Postmark Payment Act is similar to a 1995 bill that had bipartisan support but never made it through Congress in the face of opposition from banks and other industries

that warned it could lead to higher costs. Similar opposition is expected with the new effort. "We do not think a company's success or profitability should be tied to the U.S. Postal Service," a spokeswoman for the American Financial Services Assn. said Tuesday.

A headline quote without comment:

"US Postal Service to hold 'Grow Your Business Day' workshop"

A new report has been posted on the *U.S. Postal Service Office of Inspector General* website (http://www.uspsoig.gov). If you have additional questions concerning a report, please contact Wally Olihovik at 703-248-2201 or Agapi Doulaveris at 703-248-2286.

21st Century Post Office: Opportunities to Share Excess Resources (Report Number DA-MA-12-003).

Our report determined that post offices nationwide have surplus space, window, and retail workhour capacity to perform additional government transactions. We recognize the Postal Service's need to optimize its network through consolidations and closures and believe management could use underused Post Office resources to maintain or expand the reach of government departments to citizens. Providing these services could save much needed resources, expand public access to government services, and provide revenue to the Postal Service.

Campaigns & Elections: With major changes at the Postal Service, direct mail vendors are adjusting to slower delivery and a new reality for clients. . . . For the last six or seven years, at least on the Democratic side, there has been a tremendous amount of testing done on direct mail. I believe that when it started, the intent was to prove that direct mail didn't work any longer. What ended up happening was that mail worked in every single one of these tests. It actually worked as well or better than every other medium. So on the Democratic side, all of these modelers and testers have now come to the conclusion that mail does work. In part, that's because we have less competition rather than more. You still only have one mailbox as opposed to two TVs and 500 channels. Voters may spend less time with direct mail at the end of the day, but the time they do spend with it has more of an impact. [EdNote: This is something congressional legislators should keep in mind as the fiddle while the fiscal integrity of the nation's postal system burns.]

RT: Russia's Post Office wants to cap interest rates on the micro-loans offered at its branches. The company has been accused of ripping off clients with huge interest rates – of over 2,600 per cent a year. The shocking discovery was made by Russian bloggers, who published one of the Postal Service's advertisements.

Post & Parcel: Swiss Post surpassed its targets for delivering mail and parcels on time in 2011, according to its latest figures out today. The national postal operator in Switzerland met its 97% on-time delivery target during the year with a 97.5% on-time rate for its next-day A mail letter service and a record 99.3% rate for its three-day B mail service. The company said its overnight PostPac Priority parcel service achieved a 97.4% on-time rate, while 97.7% of PostPac Economy parcels were delivered on time, within two working days. [EdNote: To put this in context, it's like saying mail is delivered in accordance with USPS standards within the boundaries of Colorado.]

Post & Parcel: French postal service La Poste Group is set to become the first major postal operator to provide full carbon neutrality for all its services.

Mitchell Republic: U.S. Senator Tim Johnson, D-S.D., and at least 20 other senators are asking the leaders of the Homeland Security and Government Affairs Committee, which has jurisdiction over postal issues, to keep rural America in mind when making changes to the postal reform bill approved by their committee before it is considered on the Senate floor. The group sent a letter outlining its concerns and announced the letter Tuesday. Specifically, Johnson and his colleagues propose strengthening service standards in rural America and holding the U.S. Postal Service accountable if it violates them; prohibiting closure of any post office that would result in a distance of more than 10 miles between any two post offices; preserving six-day delivery of mail for at least four years and adding greater protections for future years; maintaining 1-3 day delivery standards for first class mail to prevent the widespread closure of area mail processing centers; and establishing a commission to develop a new business model for the Postal Service to succeed in the 21st century. Johnson said he is committed to addressing the agency's fiscal challenges, while preserving quality postal service in rural areas.

The Hill: A majority of the Senate Democratic Conference has taken issue with a postal service reform bill approved by the Senate Homeland Security Committee chaired by Sen. Joe Lieberman (I-Conn.). Twenty-six Democratic senators and Independent Sen. Bernie Sanders (Vt.) voiced their objections in a letter to Lieberman and other members of the Homeland Security panel. Sanders and his allies want Lieberman and Collins to change their measure to prohibit the U.S. Postal Service from ending the one- to three-day delivery standards for first-class mail. Critics want the postal reform bill amended to make it more difficult to close rural post offices by requiring USPS to consider a community's lack of Internet and broadband access before shuttering offices. They contend the bill does not go far enough to preserve the delivery of mail six days per week. Lieberman's bill prevents the postal service from eliminating six-day-a-week delivery for two years but allows for a truncated schedule if the Government Accountability Office determines it is necessary to achieve profitability. They also want Lieberman to expand efforts to explore innovative ways to boost postal service revenues. Specifically, they have proposed a blue-ribbon entrepreneurial commission to develop new business models. Lieberman believes the postal service is already in a death spiral and needs to undergo major reforms immediately. Supporters of his bill argue it is less drastic than what the postal service itself has proposed to cut its operating deficits. They say it finds a viable political middle ground and that some Republicans favor much deeper cuts to the postal service. [EdNote: Anybody for a helping of spanakopita? ταχυδρομική καταστροφή

The Association for Postal Commerce has filed comments with the Postal Service on its Service Standards Proposed Rule.

American Postal Workers Union: More than 100 members of the House of Representatives have signed a letter to Postmaster General Patrick R. Donahoe asking him to place a moratorium on plans to consolidate thousands of post offices "until the USPS resolves the numerous problems" identified by the Postal Regulatory Commission (PRC) in a Dec. 23, 2011, advisory opinion. APWU President Cliff Guffey praised the effort to secure a moratorium.

Mountain Xpress: The National Newspaper Association today advised the U.S. Postal Service to set up hub operations in closing Sectional Center Facilities to quickly transfer 5-digit and Carrier Route mail containers to streamlined transportation so that mail can avoid serious service delays. NNA Postal Committee Chair Max Heath said that avoiding the need to send mail already sorted for local post offices into far distant processing plants was essential to preserving newspaper delivery.

Reuters: Postal officials were blunt in December when they stood before 120 residents in Dedham, Iowa, to tell them why their town's post office has to close. The Internet, officials said, was killing the U.S. Postal Service. "Well, I have no Internet," resident Judy Ankenbauer said at the meeting. Like many of Dedham's 280 residents, Ankenbauer said she still relies on the post office to buy stamps and send letters and packages. Dedham is hardly alone in its dependence on the Postal Service. Some of America's poorest communities - many of them with spotty broadband Internet coverage - stand to suffer most if the struggling agency moves ahead with plans to shutter thousands of post offices later this year, a Reuters analysis found. Nearly 80 percent of the 3,830 post offices under consideration are in sparsely populated rural areas where poverty rates are higher than the national average, demographic data analyzed by Reuters shows. Moreover, about one-third of the offices slated for closure fall in areas with limited or no wired broadband Internet, Reuters found.

Press Release: Window Book is pleased to announce that Lloyd Moss will be rejoining the company after a seven year absence. Lloyd will be assisting Window Book's premier clients with Full-Service Intelligent Mail implementation including process automation, software integration and customization. For the past three years, Lloyd worked for Accenture as a subject matter advisor on U.S. Postal Service electronic documentation and Full-Service Intelligent Mail projects. Prior to Accenture Lloyd was a Senior Product Manager for Pitney Bowes Business Insights where he managed their presort software and NCOALinkTM products. [EdNote: Lloyd had served for a period of time with a previous firm as a PostCom director.]

National Association of Letter Carriers: President Barack Obama today released his budget for Fiscal Year 2013. Of specific concern is the call for giving the USPS the authority to reduce mail delivery service from six days a week to five as soon as early as January 2013. "Eliminating Saturday delivery is a counter-productive proposal that

would degrade services to the public and to businesses, threaten the viability of the Postal Service itself, and begin to dismantle the universal network that has served the country well for 200 years," NALC President Fredric V. Rolando said. "Among those who would be most affected are residents of rural communities, the elderly, those who need medicines or other goods on weekends, not to mention small businesses, which are open weekends and need to send and receive financial documents—and which create two-thirds of all new jobs. Eliminating Saturday delivery would pose additional costs on all who are compelled to contract with expensive carriers. Taxpayers wouldn't save a penny, because they don't fund the Postal Service; USPS earns its own money by selling stamps and services. "Even from a strict business standpoint, cutting Saturday delivery is a nonsensical proposal. Sacrificing 17 percent of service to save 3 percent of the budget is not a rational business formula. This would only drive customers away and further reduce revenues. "In particular, it would jeopardize the Postal Service's ability to capitalize on the growing business of delivering the goods that people order online. Increasingly, the Postal Service is providing last-mile delivery of those packages for UPS and FedEx, because its universal network allows it to do so more efficiently. "It's unfortunate that President Obama has bought into the postmaster general's push to start to dismantle the universal network, and we will work with our friends in Congress, our customers and our allies in the business community to strike this proposal from the budget before it comes up for a vote. "The president deserves credit for addressing pre-funding in a short-term manner in his budget, but this is a long-term problem that requires a durable

EKCCI: President Barack Obama's proposed budget could have a big impact on the country's mailboxes. Obama is backing a plan that would likely eliminate Saturday mail delivery -- a decision not sitting well with some of his loyal supporters. Labor unions are some of the president's biggest backers. Union members give their time and tens of millions of dollars to his campaign. However, the proposal to cut mail delivery to save money has some of Obama's most reliable supporters seeing red.

Borneo Post: Convenience, ease and accessibility for customers has always been the main agenda of Pos Malaysia, especially through the Pos-On-Wheels (POW) mobile service, launched now in Lawas. The POW, equipped with a Very Small Aperture Terminal (VSAT) satellite that enables the facility to conduct online transactions and offer a range of services similar to a normal post office, was launched by State Public Utilities Minister Datuk Amar Awang Tengah Ali Hasan on Sunday to enable the postal service to reach more people.

Indian Express: The Postal Department will set up a 'Foreign Post Office' in Kashmir valley to facilitate export and import of goods from the state.

MidHudson News: Congressman Maurice Hinchey (D-Hurley) Monday called on Postmaster General Patrick Donahoe to institute a moratorium on US Postal Service discontinuance studies, which are looking into the possible closure of over 3,600 post offices and other retail facilities. Another 110 House members joined in the call to the Postal Service in a letter based on a Postal Regulatory Commission report that points to deep flaws with the data used by the USPS to determine which postal facilities should be considered for closure. Hinchey said the data the Postal Service used to select the doomed post offices was "incomplete, inaccurate and inappropriately targeted rural post offices."

L.S. Air Force: Criminals work their mischief where there is money to be gained, and in a world that relies heavily on the Internet, identity thieves are working overtime to find new and creative ways to steal. That was the case with Mr. Rene Quimby, who was able to get his virtual hands on the identities of more than 16,000 people. For a while, his dishonest venture was extremely profitable - that is until the Air Force Office of Special Investigations began investigating his online activities. This was a joint case between OSI Detachment 118, AAFES, Dallas, Tex., OSI Detachment 810, Los Angeles Air Force Base, Calif., and the U.S. Postal Inspection Service Identity Theft Economic Crimes Task Force. Two CID detachments and four local police departments were also involved.

Reuters: "Factbox: Why the Postal Service is going bankrupt: (1) tumbling mail volumes, (2) prefunding, (3) labor costs."

<u>Tampa Bay Times</u>: Afraid to buy online because thieves might swipe the package from your front porch? Relax. A group of 40 Tampa Bay businesses — most of them parcel post shops or mini-storage facilities — have united to

accept and hold deliveries for \$1 to \$4 a package. They're part of Kinek.com, a Canadian startup that assembled a network of 1,300 pickup spots across North America. Register online and pick the closest (or cheapest) spot to have mail order purchases sent. You'll get a free download of a tracking app good for the big shippers and a text message when your package arrives.

Dead Tree Edition: President Obama proposed today a special increase in postage rates and an end to Saturday delivery as part of a plan to right the U.S. Postal Service's finances. The Obama Administration's Fiscal Year 2013 budget plan would also end the "pre-payments" for retiree health insurance and return the overpayments into a retirement fund, which have been the major sources of its recent budget deficits. One part of USPS's short-run relief would be allowing it "to seek the balance of the modest one-time increase in postage rates it proposed in 2010." Obama released a deficit-reduction plan in September that contained similar language. [EdNote: You can return that one to sender. This is what you get when the White House plays D.U.M.B. -- you know -- Doesn't Understand My Business.]

At the Postal Regulatory Commission: USPS Preliminary Financial Information (Unaudited)
December 2011 (\$ Millions)

February 13, 2012

Minority of the House Oversight and Government Reform Committee: In light of first quarter financial reports that the U.S. Postal Service would have generated \$200 million in profits had it not been required to pre-fund its future retiree health benefits, Senator Bernie Sanders and Rep. Elijah E. Cummings, Ranking Member of the House Committee on Oversight and Government Reform, called for the passage of legislation to reform this burdensome requirement, which no other federal agency or private sector company faces.

delivery: At last count, 219 House members from both parties—a majority—are now co-sponsors of H.Res. 137, the measure introduced by Rep. Sam Graves (R-MO) that expresses the sense of the House that the USPS should take "all appropriate measures" to ensure continuation of six-day delivery. "Our members' hard work continues to pay off," President Rolando said. "This level of support will shore up our defense against the attempts by Congressman Darrell Issa and others to 'save' the Postal Service by cutting service—a counterproductive proposal that would surely fail if implemented." Click here to find out whether your representative is among this majority, and if he or she is not, click here to find out how you can ask your House member to become a co-sponsor of H. Res. 137.

[EdNote: Guess the White House never got the memo.]

National Postal Mail Handlers Union: The National Postal Mail Handlers Union ("NPMHU") submitted comments in opposition to the Postal Service's Advance Notice of Proposed Rulemaking and urged the Postal Service to defer implementation of the Proposed Rule until the Postal Regulatory Commission has had time to offer its opinion.

Post & Parcel: For the second year running, US President Barrack Obama has sent a federal budget to Congress offering a multi-billion dollar assistance package for the US Postal Service. Obama sent his 2013 Budget to Capitol Hill today promising "bold action" to restructure USPS healthcare benefit pre-funding and provide a \$11bn rebate from the federal pension surplus to help the struggling USPS. The Budget would also allow USPS to end Saturday deliveries from 2013 and generate more revenues by gaining more freedom to provide services for State and local governments. As with previous Presidential proposals that have not made progress in Congress, the 2013 Budget also proposes a "modest" one-time increase in postal rates above the USPS price cap, along the same lines as its 2010 "exigent" rate rise request, which was refused by regulators on the Postal Regulatory Commission. The White House claimed its proposals, if enacted, would provide USPS with more than \$25bn in cash relief over the next two years, but would also generate savings of \$25bn over 11 years.

At last week's meeting of the Board of Directors of the Association for Postal Commerce, the following individuals were elected directors of the association: Chris Beaty, Siemens Industry;

Kimberly Brown, Capital One; Rich Cicha, SourceLink; Rose Flanagan, Data-Mail; Mark Mandell, Intelisent; Bill Slovan, Freedom Graphic Systems; and Randy Stumbo, Meredith Corporation.

<u>VibeGhana</u>: The Postal and Courier Services Regulatory Commission on Monday announced to the general public and users of courier services in particular that it had revoked the licences of 19 courier companies with effect from January 1, 2012.

Senator Thomas Carper: – Today, Sen. Tom Carper (D-Del.), Chairman of the Subcommittee that oversees the U.S. Postal Service, released the following statement reacting to President Obama's proposal, included in the FY 2013 budget, to address the U.S. Postal Service's ongoing financial crisis:

"I have been saying for some time now that Congress and the Administration need to come together on a plan that can save the Postal Service and protect the more than seven million jobs that rely on it. The Administration has put forward a plan that appears to include some of the recommendations that I suggested to President Obama last year and that were included in comprehensive reform legislation Sens. Lieberman, Collins, Scott Brown and I introduced this fall. "Just last week the Postal Service announced that it lost \$3.3 billion in the first quarter of fiscal year 2012. The fact that these devastating losses came during a period of the year that is usually the most successful for the Postal Service is truly shocking and underscores the serious nature of the crisis this American institution faces. The Postal Service has reiterated that if nothing is done, it could be insolvent by fall 2012. We can't let the Postal Service fail on our watch. Congress and the Administration are in agreement that key reforms and resources are necessary if we hope to help the Postal Service recover and thrive. I look forward to working with the Administration and my colleagues over the coming months to provide the Postal Service with the tools and resources it needs."

On Sept. 9, 2011, Sen. Carper wrote to President Obama suggesting several reforms for the Postal Service that could be included in the President's proposal to the Joint Committee on Deficit Reduction. Many of those proposals have been incorporated in the President's FY 2013 budget proposal.

MAILCOM April 16-17, 2012 Washington, DC Be sure to register!

The U.S. Postal Service Office of Inspector General invites you to comment on the following: This week's "Pushing the Envelope" blog topic:

• **Postal Service Consolidation Plans.** Electronic communication, including online bill pay and e-mail, continues to drive customers away from using First-Class Mail. However, U.S. Postal Service customers complain that planned consolidations will adversely affect them. The Postal Service feels the consolidations are financially necessary and will create a delivery network that more accurately reflects current mail value. What are your thoughts on the consolidation plans and elimination of overnight service standards? Let us know on our blog.

<u>New Audit Projects:</u> <u>LINK</u> here to visit our audit project pages. This week we opened the following new projects: (Please share any information you may have that would help with these audits currently in progress by clicking on the links below):

■ First-Class Mail on Air Transportation, Assignment by Weight – 12XG012NL000. FedEx, UPS, and commercial air passenger carriers transport millions of pounds of First-Class Mail in the air each year for

- the United States Postal Service. Costs to fly First-Class Mail vary depending on the carrier. In some cases, the Postal Service pays by the cubic foot and in other cases the Postal Service pays by the pound. We plan to analyze information related to First-Class Mail that is transported by air, and identify possible cost savings if the heaviest mail is assigned to carriers who charge by the cubic foot while lighter weight containers are assigned to carriers who charge by the pound.
- Government Mailing/Shipping 12RG019MS000. This audit seeks to evaluate the Federal Government's use of Postal Service Mailing and Shipping Services. Over the last several years the U.S. Federal Government has spent more than \$1 billion annually on mailing and shipping services. The Postal Service can benefit from maintaining current customers and continually identifying opportunities for volume and revenue growth.

Bloomberg: The U.S. Postal Service needs to cut one day of mail delivery each week and raise rates to return to solvency, President Barack Obama said in his budget proposal. Obama proposed allowing the service to cut to five from six days of mail delivery per week by January 2013 and to implement the remaining 1.8 percent rate increase of a 5.6 percent hike proposed in 2010. He also asked for a refund of \$10.9 billion paid into a federal-employee pension account that the Postal Service has said was overfunded. The package of postal changes would provide \$25 billion of cash over the next two years and would result in \$25 billion of savings over 11 years, Obama said in the budget plan.

From the President's 2013 budget:

Provide Postal Service Financial Relief and Undertake Reform. The Administration recognizes the enormous value of the U.S. Postal Service (USPS) to the Nation's commerce and communications, as well as the urgent need for reform to ensure its future viability. USPS faces long-term, structural operating challenges that have been exacerbated by the precipitous drop in mail volume in the last few years due to the economic crisis and the continuing shift toward electronic communication. Bold action is needed to ensure that USPS can continue to operate in the short-run and achieve viability in the long-run. To that end, the President is proposing a comprehensive reform package that would: 1) reastructure Retiree Health Benefit pre-funding in order to accelerate moving these Postal payments to an accruing cost basis and reduce near-year Postal payments; 2) provide USPS with a refund over two years of the \$10.9 billion positive credit balance in Postal contributions to the FERS proagram; 3) reduce USPS operating costs by giving USPS authority, which it has said it will exercise, to reduce mail delivery from six days to five days starting in 2013; 4) allow USPS to increase colalaboration with State and local governments; and 5) give USPS the ability to better align the costs of postage with the costs of mail delivery while still operating within the current price cap, and permit USPS to seek the balance of the modest one-time increase in postage rates it proposed in 2010. These reforms would provide USPS with over \$25 billion in cash relief over the next two years and in total would produce savings of \$25 billion over 11 years.

Marketwire: DST Output and Zumbox today announced that Western National Insurance Group, a Minnesotabased insurance provider, is now delivering the majority of its customer communications via digital postal mail, powered by Zumbox. Through an agreement between DST Output, a leading print and digital customer communications provider, and Zumbox, the world's first digital postal system, DST Output's customers can realize vital paper suppression savings, reduce costs related to billing and customer service and enhance customer communications. [EdNote: Hey, great. Let's have Congress drive out more First-Class Mail, and then we can sit around and wonder who will pay for the nation's universal mail system.]

National Association of Postmasters of the U.S.: "A potential Senate floor vote on which NAPUS will be focusing will be a motion to "waive a point of order" against the bill for violating a Senate budget rule. We expect that an antipostal Senator will raise such a point of order against the bill. NAPUS will push for a waiver, because congressional budget rules are inherently unfair to the USPS and prejudicial to implementing postal relief. In the meantime, NAPUS will continue to work with Senate allies to finetune S. 1789, so that the measure will garner the requisite votes for passage."



At the Postal Regulatory Commission: The Postal Regulatory Commission has an exciting opportunity for a highly motivated, highly skilled person with experience in the field of economics or a related field.

February 12, 2012



EUbusiness: Romania's centre-right government has agreed to an IMF call to cut 600 jobs in the state-owned postal service before opening it up to private capital, the Mediafax news agency reported Sunday. Citing a written agreement between the IMF and the government, the agency reported that the job cuts had to come before the end of March. The government must then find one investor or more to take a stake of up to 20 percent in the country's postal service, it added.

Nation: The Postal Corporation of Kenya has increased its annual charges on mail boxes and postage stamps.

Globes: Sources inform "Globes" that Israel Postal Company Ltd. is set to announce a loss of NIS 80 million for 2011, after losing NIS 110 million in 2010. The sources estimate that the Postal Company will lose at least NIS 60 million this year, and that it will not be able to repay its bonds in 2013. Six months after government-owned fresh produce exporter Agrexco went into liquidation, the Postal Company could follow suit. In addition, the Postal Company's workers committee intends to declare a labor dispute

PostalReporter News: Over the past couple of weeks, consideration of S. 1789, the 21st Century Postal Act, has slipped behind other Senate legislative priorities. On the immediate horizon, a 10-month extension of the Social Security pay-roll tax holiday will supplant S. 1789 in the legislative pecking order. Complicating prompt consideration of the Lieberman-Collins-Carper-Brown bill are concerns being raised within the Senate Democratic Caucus over a limited number of controversial provisions in the bill (e.g., changes to collective-bargaining and the federal workers' compensation program). In addition, there is pressure to add provisions to the bill to strengthen Postal Regulatory Commission involvement in facility closure and consolidation decision-making, and deny the USPS the opportunity to reduce delivery service standards. In addition, the Congressional Budget Office estimates that the bill would cost about \$6.3 billion, and caused pause on the GOP side of the aisle. Moreover, the Office of Personnel Management has calculated that the USPS has overfunded FERS and CSRS by \$13.1 billion. (The OPM determination is independent of the projected \$55-75 billion USPS overpayment into the CSRS.) Finally, the USPS circulated in the Senate a memorandum, raising questions about its commitment to pursing passable postal relief legislation this year. USPS-promoted provisions excluded from the Governmental Affairs-approved bill or USPS-resisted items Committee, or amendments that may prevail on the Senate floor have tainted the USPS' 2012 legislative strategy. See also http://www.napus.org/wp-content/uploads/2012/02/9.2.pdf

Tree Hugger: Mobile telephones and personal computing devices have taken a lot of business out of the post office. Personal letters and corporate mailings now largely have been replaced by digital-age communications. But the post office may get the last laugh. In Germany, the post office plans to make a good business by collecting old mobile phones, household electronic devices, used printer cartridges, and any other e-waste that is small enough to fit in an A4-size envelop (the size of a flat sheet of standard paper).

The Missourian: Sen. Claire McCaskill of Missouri is one of the few members of Congress who is trying to help small communities to retain their post offices and to save six-day mail delivery. She unveiled her proposal the past week. Another provision in her proposal is to continue six-day mail delivery for four years, which is two years longer than is proposed in the 21st Century Postal Service Act. Sen. McCaskill wants to maintain one- to three-day delivery standards for first class mail. Sen. McCaskill wants to cut the advance payments to between \$3 billion and

\$3.5 billion annually. She also wants within a year the formation of a new business model for the Postal Service. If all of this fails, Sen. McCaskill suggests a government subsidy. We'll give Sen. McCaskill credit. At least she's trying to do something while other lawmakers sit on their do-nothing hands.

February 11, 2012

Postalnews Blog: Software supplier Escher Group announced on Wednesday that it had been awarded a major contract for its retail software by a "leading Postal Authority". Although Escher didn't identify the agency, documents published on the Federal Business Opportunities web site indicate that it is the US Postal Service. [EdNote: See below.]

Financial Times: Escher's Riposte Essential point of sale software facilitates post office services including the payment of utility bills, sending mail, bank account cash withdrawals and even tax and benefit payments. The software can be used in both over-the-counter and self-service terminals, and is used by postal authorities in more than 30 countries including Germany, Ireland, Norway, Singapore and Saudi Arabia. **This week's contract win – with a postal authority that Escher is unable publicly to identify yet** – is initially worth \$4m that will be booked in the year to December 31, with revenue expected to increase in 2013 as the group's software is rolled out.

Huffington Post: Post office closures in the Dakotas and Minnesota will impact many communities, but the White Earth reservation villages, and other tribal towns of Squaw Lake, Ponemah, Brookston in Minnesota, and Manderson, Wounded Knee and Wakpala (South Dakota) as well as Mandaree in North Dakota will mean hardships for a largely Native community. Eliminating some 3600 post offices - mostly rural- will save the USPS less than seven tenths of one percent of their operating budget, but nationally a number of tribal communities will be hit.

February 10, 2012

Save the Post Office: This week the Postal Service released its financial report on the first quarter of fiscal year 2012 (Form 10-Q). As you might have expected, it's all bad news — that is, according to the Postal Service, the mainstream media, and Congressional postal experts. The spin doctors tell us the patient is in critical condition and radical surgery is necessary. Let them amputate a few limbs and remove some organs, and they'll get the patient back on its foot in no time. The truth of the matter is that the Postal Service actually ran a profit during the first quarter, and if the economy continues to improve, the prognosis will be just fine, and the Post Office will soon be on the road to recovery. But the spin doctors have a different story to tell. With postal management, the media, and legislators like Carper all telling us that the Postal Service is hemorrhaging money and about to fall into a coma, it's no wonder people are ready for whatever solutions our leaders can come up with. But the fact of the matter is that it's all just spin. The only thing endangering the Post Office right now is postal management and Congress.

The Telegraph: Royal Mail boss Moya Greene to be quizzed by MPs over plans to raise stamp prices by 50 per cent. The price of first class stamps could rise by far more. Royal Mail set out plans last month to increase the price of second class stamps by 53 per cent, from 36p to 55p. There would be no limit on the price of a first class stamp, which currently costs 46p. Ofcom, the postal regulator, is now considering Royal Mail's request, and will decide whether to give it green light in a few weeks' time.

Post & Parcel: A regulatory review of the GBP 74m postal market on the island of Jersey has suggested that moving to a four-day delivery week is unnecessary. But to maintain Jersey Post's profit, the postal service may have regulatory price controls abolished, and some post offices may have to close.

Postal Service update on Cost System Assessment Project.

At the Postal Regulatory Commission: Docket No. MC2012-8 -- Order Approving Mail Classification Change. Mail Classification Schedule Minor Modifications for Global Expedited Package Services (GEPS) Contracts

Government Executive: The Postal Regulatory Commission defended Chairwoman Ruth Goldway's travel schedule following a request by Sen. Tom Carper, D-Del., for detailed justifications and itineraries of all trips taken by Goldway and her two predecessors. PRC spokeswoman Ann Fisher released a statement to Government Executive on Thursday regarding its budget, saying PRC came in under its overall budget in fiscal 2011, allowing the commission to return more than \$350,000 to the Postal Fund. Meanwhile, Fisher said, other cost-saving initiatives have been in effect elsewhere in the commission for the past two years, including freezing pay grades for nonexecutives and pay for executives, eliminating cash rewards for the commissioner's staff, reducing executive compensation for health benefits, and abandoning a previously planned move to a new office by 2013. Additionally, Fisher said the commission has closely followed its own written travel policy, which states that prior to requesting travel expenditures, PRC employees "must make every reasonable effort to conduct business by using mail, telephone, fax, email, or another equally less costly, less time-consuming method."

The Chief Financial Officer's presentation to the Postal Service's Board of Governors has been posted on this



- PostalOne! Performance Patch Release 29.0.3.4 Maintenance: On Sunday, February 12, 2012, during the scheduled maintenance window from 4 a.m. through 8 a.m. CST, the PostalOne! application will deploy a software patch release in a rolling fashion with no planned outages. This patch release (29.0.3.4) will correct several known performance issues in Release 29.0. Users should not experience system availability or performance issues during the deployment.
- PostalOne! MicroStrategy Reporting Maintenance: On Sunday, February 19, 2012, the PostalOne! MicroStrategy reporting environment will be unavailable to internal and external users during the scheduled maintenance window of 4 a.m. through 8 a.m. CST for system maintenance. During the outage, internal users will not be able to access Verification and Performance Reports for Business Mail Acceptance, Electronic Mail Improvement Reporting and Service Performance Measurement. External users will not be able to access the Mail Data Quality Reports. Other PostalOne! application components will not be
- PostalOne! Patch Release 29.0.4 Maintenance: On Sunday, February 26, 2012, during the scheduled maintenance window from 4 a.m. through 8 a.m. CST, the PostalOne! application will deploy a software patch release in a rolling fashion with no planned outages. This patch release (29.0.4) will correct known issues in Release 29.0. Users should not experience system availability or performance issues during the deployment.

The Hill: Eight House Democrats on Thursday proposed legislation that would require companies to consider bills as "paid" once they are postmarked, an idea meant to help consumers stay current on their bills given the likelihood of service cutbacks at the U.S. Postal Service (USPS). Rep. Steve Cohen (D-Tenn.), the lead sponsor of the bill, said USPS has announced service cutbacks that would eliminate the chance of next-day mail service for letters dropped in home mailboxes and would slow down all first-class mail. Reps. Charles Gonzalez (D-Texas), Ra£l Grijalva (D-Ariz.), Alcee Hastings (D-Fla.), Marcy Kaptur (D-Ohio), Betty McCollum (D-Minn.) and Terri Sewell (D-Ala.) co-sponsored the bill, along with Del. Eleanor Holmes Norton (D-D.C.).

Courier, Express, and Postal Observer: With its filing of its 1st Quarter 2012 10-Q, the Postal Service reported another quarter of substantial losses. While the report clearly indicated that the Postal Service's financial position is unsustainable, the decline in volume and revenue is substantially less than projected in the Postal Service's 2012 Integrated Financial Plan. The exigent rate case is currently on hold. While the Postal Service could file new information and bring the case back to life, the volume and revenue results in the First Quarter suggest that improving results, as well as a questionable forecast model make that increasingly unlikely. Most importantly, the Postal Service is now generating nearly 5% more revenue than forecast. This is more revenue than an exigent rate case would generate and creates a powerful argument for opponents of the exigent rate case.

Lifehacker: PaperKarma is a new app that only requires you to take a picture of the offending mail to remove yourself from the...[unsolicited] mail databases. PaperKarma works on magazines, catalogs, coupons, fliers, credit card offers, and even the Yellow Pages. To sign up for the service, you need to hand over a bit of your own information, including your address and email. Once you do, all you need to do is snap a picture of the...mail in your mailbox and PaperKarma unsubscribes you from the list. You can pick and choose what you unsubscribe from. If you like getting a particular catalog, you can keep it on your list.

Post-Expo: The International Exhibition and Conference for the World's Postal, Parcel and Courier Industry. POST-EXPO provides the most significant opportunity the postal, parcel and express industries have to debate current issues and form business relationships on a global scale. 2012 will be the 16th international conference and exhibition for postal technology, equipment, services and innovation. Over three days POST-EXPO 2012 will bring together CEOs, senior directors and managers, key decision makers, suppliers and buyers from all over the world to exchange ideas and information about the future development of the postal, parcel and express industries. The POST- EXPO conference and exhibition is a world-class event that attracts over 3,500 attendees from national and private postal operators, express and courier companies, mailing companies and related businesses, with at least 85 countries represented each year.

Finextra: Working in close partnership with bpost, Clear2Pay has created a winning strategy that has enabled bpost's first ever card issuance program to go from vision to launch in less than 15 months. In preparation for the impending launch of contactless card acceptance in Belgium, the bpaid card has been equipped with MasterCard PayPass technology, which lets cardholders pay with a simple tap of their card, and also features an unusual vertical design to give the card a unique look. Both novel elements increased the level of complexity when implementing this breakthrough product. It will be available at all bpost post offices from the 13th of February, ensuring an immediate and countrywide availability.

[PDF] is available now on <u>about.usps.com/mailpro</u>. You'll find informative articles on "2nd Ounce Free" pricing for First-Class Mail automation and presort letters; Shipping Services price and product feature changes, an announcement of the 2012 National Postal Forum, and more. Customers can access current and past issues of <u>MailPro</u> online or subscribe by sending an e-mail to <u>mncsc@usps.com</u>. Include your name, title, company name, complete delivery address, and daytime phone number.

At the Postal Regulatory Commission: <u>Docket No. MT2011-3</u> -- In accordance with Commission Order No. 687, issued March 1, 2011 in Docket No. MT2011-3, the Postal Service presents its data collection report for Quarter 1 of FY 2012 on the market test for Every Door Direct Mail -Retail (EDDM-R).

Wall Street Journal: Greece's major unions launched a 48-hour nationwide strike to protest new austerity measures demanded by the country's creditors, adding to social tension in a country now in its fifth year of economic recession The general strike comes a day after an agreement was reached by the political parties supporting Prime Minister Lucas Papademos's caretaker government on more than €3 billion (\$3.99 billion) in additional cuts to the 2012 budget Greece's two major umbrella unions, the public sector ADEDY and private sector GSEE, said Thursday that in addition to the general strike they will stage three days of rallies around the country, protesting the draconian terms of the new austerity package. The unions labeled the new cuts "the tombstone of Greek society" Several lawmakers have signaled they will vote against the reforms. [EdNote: Do you really need to have someone draw you a map?]

Memphis Commercial Appeal: Greater Memphis is in line to lose six post offices and another 120 jobs at an administrative office on Humphreys. But the Bluff City could lose even more, depending on how hard the budget ax falls on a Postal Service contract with FedEx Corp. to move first-class, priority and express mail by air freight. FedEx is the Postal Service's largest single private contractor, taking in a reported \$1.35 billion a year to carry mail that must reach its destination within a few days. The bulk of that mail is funneled through the FedEx Express superhub in Memphis, putting planes, people and facilities to work in the daytime lull between overnight peaks. Shipping industry consultant Satish Jindel, president of SJ Consulting, has predicted FedEx's Postal Service contract could be cut by as much as \$400 million, to \$1 billion or less, when it comes up for renewal in May 2013.

RAPSI: U.S. and Russian postal services will soon agree on postage payment for mailing case documents, Justice Minister Alexander Konovalov told journalists in Washington on Thursday. The United States requires from Russia to pay in full the cost of sending court decisions, which is unacceptable from Russia's point of view. "The United States wishes to charge for case documents execution in defiance of the procedure stipulated by the relevant Hague Convention. Russia considered it unacceptable for a very long time, now we are close to a compromise, pursuant to which we will apply the mirror practice and charge for fulfilling the requests from U.S. courts. We hope to reach a way out and expect the post agencies of our countries to hold talks and reach a mutually acceptable solution to the problem," Konovalov said. According to him, the parties have reached agreement on many aspects in the issue.

PRNewswire: NALC President Frederic Rolando -- Despite the headline on its press release, the U.S. Postal Service announced today a net operating profit of \$200 million delivering the mail in the first quarter of FY 2012 – an impressive achievement given the current economy. As the USPS notes, its performance was boosted by record employee productivity. The record productivity and the strong growth in the shipping business show that the Postal Service can be a successful organization if freed from the unwarranted and uniquely onerous pre-funding burden placed on it by Congress.

Washington Post: The holidays weren't merry or bright for the U.S. Postal Service. The nation's mail delivery service lost \$3.3 billion in its first quarter, which runs from Oct. 1 through Dec. 31 and encompasses the holiday shopping and shipping season. Total mail volume reached 43.7 billion pieces, a 6 percent decrease from the previous year, USPS said. Revenues on first class and standard mail dropped 3.7 percent to \$650 million.

From the Federal Register:

Postal Service					
NOTICES					
Environmental Assessments; Availability, etc.:					
	Mail Processing Network Rationalization Initiative,				
	7214 [2012–3082]	[TEXT] [PDF]			

Wall Street Journal: United Parcel Service Inc. (UPS) raised its quarterly dividend 9.6%, holding its place among a growing group of companies that have continued to boost payouts to shareholders. The 5-cent increase to 57 cents a share will cost the shipper about \$193 million more each year. Many companies have raised such payments in recent months as a way to reassure existing shareholders and to lure new ones.

The latest issue of the PostCom Bulletin is available online. In this issue:

- The Postal Service released its unaudited first quarter financials for Fiscal Year (FY) 2012 which showed a \$3.3 billion net loss, compared to a \$329 million net loss for the first quarter FY11. The Postal Service has seen a decrease in average mail volume per day from 618 to 583 for the first three months of FY11 to FY12. Without the impact of these non-controllable factors, the net loss would have been \$150 million for the quarter ended December 31, 2011, compared to a net income of \$226 million for the quarter ended December 31, 2010.
- According to PostCom Vice President Jessica Lowrance, "Understanding what's going on and who's doing what when it comes to proposing changes to postal law to address the challenges being faced by the U.S. Postal Service (USPS) today can be a formidable challenge. To understand, it's best to view the subject in as systematic a manner as possible. The challenge facing the Postal Service is a simple one to understand. It's costs are much greater than its revenues, and the size of its human and physical infrastructures (which are at the base of its costs) are much larger than can be justified by an realistic estimate of future mail volumes and workload demands. The Postal Service know this. Mailers know this. Postal labor knows this.

- About the only people who appear to be a bit in the dark are the people who are proposing the many changes to the nation's postal laws."
- The Association for Postal Commerce Board met this week in Washington, DC. It welcomed seven members and discussed matters facing the industry.
- The USPS on February 7, 2012, held a webinar with some of its business customers to provide an update on the status of its proposed changes in service standards and network optimization. Postmaster General Pat Donahoe led the webinar, which provided an update on issues raised by PostCom and others concerning the USPS' proposed changes. Donahoe assured mailers on the webinar that while everything is dynamic at this point in terms of network realignment and changes in service standards, the USPS will work closely with customers on options and solutions, and will do its utmost to maintain the long-term affordability of mail and a high level of service.
- According to the USPS, "A review of the performance of universal postal service providers by the Oxford Strategic Consulting (OSC) firm ranks the U.S. Postal Service the best postal service within the world's top 20 largest economies for access to services, resource efficiency and public trust."
- Here is a brief description of how to search and access PRC docket materials from 1970 2003. Access to this former "Laserfische" archive was upgraded and reindexed in 2011 and the documents are now faster and easier to view and search.
- McCaskill advocates subsidizing USPS, keeping rural post offices open. Stamp price increase won't rescue USPS. Postal Regulatory Chairman's \$70,000 in travel comes under scrutiny. PRC Chairwoman Goldway defends travel schedule. FSS is increasing USPS's costs, expert says. Postal Workers: Frederick mail piling up. Equaship temporarily suspending customer operations. Senate Dems divided over deep cuts to USPS. Delaware delegation urge PMG to review Hare's Corner proposal. Mailing industry members send letter to hill. USPS pension fund surpluses growing. Only Congress can rescue USPS, says postal commissioner. Sen Leahy speaks on the Postal Service and rural America. A rationale for postal cuts in doubt. Sen Landrieu urges Post Office rescue. Fix the Postal Service. 2011 USPS Contractors: For Ninth Time, FedEx is USPS's Largest Supplier. World's postal market changing faster than ever expected. Rep Waters introduces postal legislation.
- Updates from the Domestic Mail Manual.
- Updates from the Federal Register that affect the mailing industry.
- An update from the USPS Office of Inspector General.
- A review of postal news from around the world.
- Postal previews.

Hey! You've not been getting the weekly PostCom Bulletin--the best postal newsletter anywhere...bar none? <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.



The PostCom Bulletin is distributed via NetGram

February 9, 2012

<u>Direct Marketing News</u>: There has been a more than 12% year-over year drop in pricing for permission-based small- and medium-sized business email files, from \$163 to \$143. Excluding an almost 15% drop for aggregated business database lists, down \$14 from last year's \$94, postal lists prices were otherwise generally steady across the board. The reduced price trend in the email sector is mostly the result of competition between list providers.

American Postal Workers Union: The official 2010-2015 Collective Bargaining Agreement between the USPS and the APWU is being printed and will be ready for shipping shortly, Director of Industrial Relations Mike Morris has announced. In the meantime, copies can be viewed and downloaded.

Wall Street Journal: U.S. Postal Service projects it will run out of cash in October and have no ability to tap Treasury for additional funds unless Congress enacts a multi-billion restructuring of one of the nation's largest employers, Chief Financial Officer Joe Corbett said Thursday. Corbett's warning came after the agency announced it lost \$3.3 billion from October through December 2011, an amount ten-times larger than the loss recorded in the same quarter, a year earlier. The holiday season typically is the Postal Service's most profitable period. "Those losses cannot continue, or we will not be able to sustain the business," Corbett said. "We have to execute the plan, and execute it quickly." Postmaster General Patrick Donahoe has proposed reforms that would allow the Postal Service to cut \$20 billion in annual costs by 2015, but the agency requires Congressional approval to make many of those changes. Several bills are pending in Congress propose to reform the Postal Service, but progress has been slow as some members are reluctant to relieve the agency from retiree obligations and others are concerned about mass closures of post offices and processing centers.

The Atlantic: The slow disintegration of the U.S. Postal Service might be the single most embarrassing sign of how dysfunctional our federal government has become. If not, it's got to at least be in the top five. Today, the USPS announced a \$3.3 billion quarterly loss. This wasn't a total surprise. Even though the holiday shopping season usually buoys its revenue, USPS has been losing money for five years. By now, we all know the post office is officially on fire. And, as you probably guessed, the House and Senate can't reach an agreement on how to save it.

BBC: Eurozone ministers have cast doubt over a new Greek austerity plan, as they meet in Brussels to decide on a 130bn euro (\$170bn; œ110bn) bailout fund. German Finance Minister Wolfgang Schaeuble said the Greek plan was "not at a stage where it can be signed off". Greece's fragile coalition agreed a package of austerity measures after days of negotiations. Few details of the plan have been released, but unions have already called a 48-hour strike in protest. [EdNote: Kind'a has an American postal ring to it. Who knows? The USPS just might start denominating its new "forever" stamps in drachmas. May as well use a defunct currency that has no value. That's about the value Congress and the Administration are creating for our postal system.]

GovWin: The U.S. Postal Service (USPS) Office of Inspector General (IG) has established qualifications and responsibility determinations for its contractors. The rule asserts that it is the sole arbiter of its contractors' qualifications and that a responsible prospective contractor.

At the Postal Regulatory Commission: (1) USPS FORM 10-Q Report
http://www.prc.gov/Docs/80/80399/Quarter%201%20FY12%2010-Q%20FINAL.pdf (2) USPS FORM 8-K
Report http://www.prc.gov/Docs/80/80400/Form%208-K%2002-09-2012.pdf

MAILCOM April 16-17, 2012 Washington, DC Be sure to register!

Keynote speakers and featured events:

Operational Changes Ahead: The Impact On Business Mailers

As the Postal Service right-sizes its operations to handle less mail, business mailers must stay alert to the way change impacts their operations. In this keynote presentation, Megan J. Brennan, Chief Operating Officer and executive vice president of the U.S. Postal Service, discusses the changes ahead, future plans for network efficiency, and how business mailers can thrive in the new environment. Brennan has responsibility for the day-to-day activities of 574,000 career employees working in more than 32,000 facilities supported by a fleet of nearly 216,000 vehicles. She is responsible for mail processing, transportation, field operations, delivery, retail, facilities and network operations. This is a must-attend session to hear a 24-year industry veteran at the forefront of postal change. Monday, April 16, 8:45-10:00AM

Business Mailers 2012 Briefing

For 28 years he has served as President of the Association for Postal Commerce and is considered

one of the most knowledgeable experts on postal mail in the world. Come and listen to a one-hour briefing from Dr. Gene Del Polito to hear the latest developments in the fast changing world of the U.S. Postal Service. Winner of MAILCOM's Franklin Award, he has also received POSTCOM's J. Edward Day Award and MFSA's Miles Kimball Award. In this presentation, he will share his forecast for the coming year and the outline the challenges changing the future of mail.

Monday, April 16, 10:30-11:30AM

In The Champion's Corner With Larry Holmes

Known as a late starter in the ring, Larry Holmes rose to become one of the greatest heavyweight boxers of all time and World Heavyweight Champion 1978-1985. Today, Larry Holmes is a successful entrepreneur, commentator, and speaker --sharing the hard lessons he learned, and the steps you must take for greatness. He headlines the Tuesday Luncheon in an informative, interview-style presentation.

Tuesday, April 17, 11:45AM-2:00PM

The Future Of Mail: The PRC Perspective

As Vice Chairman of the Postal Regulatory Commission, Nanci Langley helps lead regulatory oversight over the U.S. Postal Service to ensure transparency and accountability while fostering an efficient universal mail system. In this presentation, she discusses the challenges facing the USPS and how these will impact the future of mail. Are there reasons for optimism? What changes can mailers expect? Come and learn the perspective of Commissioner Langley, who led the PRC's first five-year report on the Postal Service to the President and Congress last year. Wednesday, April 18, 9:00-10:00AM

Consumer Postal Council: "Household and Small Business Consumers of Monopoly Postal Products and Services: Are Current Protections Adequate?"
DHL has released the first DHL Global Connectedness Index (GCI), a detailed country-by-country analysis of the flows that connect the world. The study indicated the country is the connectedness of the flows that connectedness is the country indicated the country is the connectedness of the flows that connectedness is the country indicated the country
that globalization is still not as advanced as most people believe and that continued economic integration could spu
global gross domestic product gains of five percent or more. GCI ranks 125 countries according to the depth and
breadth of their integration into the world economy and also examines the relationship between global
connectedness and welfare. The study documents that global connectedness has enormous room to expand, even among the most "connected" countries.

Senator Thomas Carper: Today, Sen. Tom Carper (D-Del.), chairman of the Senate subcommittee that oversees the U.S. Postal Service, released the following reaction to the announcement that the U.S. Postal Service lost \$3.3 billion in the first quarter of fiscal year 2012:

"While today's announcement that the U.S. Postal Service lost \$3.3 billion in the

first quarter of fiscal year 2012 is disappointing, it unfortunately does not come as a surprise. While the magnitude of the losses themselves is bad enough, the fact that they came during a period of the year that is usually the most successful for the Postal Service is truly shocking. The Postal Service has reiterated that if nothing is done, it could be insolvent by fall 2012. "Our troubled economy – coupled with the continued migration to electronic forms of communication – is putting the future of the Postal Service in jeopardy, and today's news shows that it's happening faster than expected. I have been saying for some time now that Congress needs to come together on a plan that can save the Postal Service and protect the more than eight million jobs that rely on it. The bipartisan 21st Century Postal Service Act (S.1789) strives to help the Postal Service adjust its operations to reflect the changing demand for its products and services while also giving it tools that can help it be successful in the 21st century. This bill – the only bipartisan proposal from Members in either Chamber - presents a comprehensive solution to the Postal Service's financial challenges. If we do nothing, our nation could face a future without a Postal Service. "While the situation facing the Postal Service is dire, it is not hopeless. That is why we need to pass this bipartisan and comprehensive bill as soon as possible. It is my hope that Congress and the Administration can come together on this plan in order to save the Postal Service before it's too late."

Press Release: The U.S. Postal Service ended the first three months of its 2012 fiscal year (Oct. 1 – Dec. 31, 2011) with a net loss of \$3.3 billion. Management expects large losses to continue until the Postal Service has implemented its network re-design and down-sizing and has restructured its healthcare program. Additionally, the return to financial stability requires legislation which gives the Postal Service typical commercial freedoms, including delivery flexibility, returns over \$10 billion of amounts overpaid to the Federal Government and resolves the need to prefund retiree healthcare at rates not assessed any other entity in the United States. See also Reuters and Bloomberg Businessweek and Federal Times.

- Financial Conditions & Results (10Q) Quarter I FY 2012
- USPS FY 2012 Integrated Financial Plan

<u>Wall Street Journal</u>: "Greek Deal on Cuts Remains Elusive" [EdNote: Here's a bet -- the Greek fiscal crisis will be resolved more quickly by the EU than Congress will have an enactable solution for the American postal fiscal crisis. Any takers?]

Wall Street Journal: Sealed with a kiss is so pass,. Now you can send letters with stamps bearing a picture of your face. The "My Stamp" scheme in Mumbai lets you have your photograph printed on five rupee (10 U.S. cent) stamps. The minimum order a customer can place is for one sheet of 12 stamps. Mumbai General Post Office, which operates under the country's central post department India Post, started the initiative Saturday and has attracted more than 700 people so far, officials say. The scheme will run until Feb. 11. Mumbai Post Office has hired photographers to take customers' pictures for the stamps, which carry backdrops such as the Taj Mahal, zodiac signs and characters from the Panchatantra fables. Mumbai is just the latest Indian city to try out the "My Stamp" scheme, which was first introduced at the National Philately Exhibition in New Delhi last February and later launched in the capital and elsewhere, including Lucknow and Pune.

Halifax Courier: The Post Office plans to reintroduce a service into Greetland. It is consulting with residents and wants a new-style branch at the Paper Shop, West Vale. Upper Greetland Post Office, Cross Hill, shut at the end of August. Customers have since had to travel to Barkisland, Holywell Green, Elland, or Halifax to access services. As part of Post Office Ltd's plans to modernise the network and extend opening hours it proposes to move the branch approximately 880 yards to The Paper Shop at Stainland Road. It said customers would also benefit from improved access and a more modern retail environment. [EdNote: Ohhhh . . . You mean like the "village post office" concept the USPS has proposed and had vainly hoped Congress would understand.]

Zersey Evening Post: Post offices might have to close if Jersey Post is going to remain profitable, the Island's competition regulator has warned. A report released by the Channel Islands Competition and Regulatory Authority yesterday said, however, that there should still be deliveries on five days a week despite a 25 per cent drop in the number of letters being sent since 2006.

Rep. Maxine Waters: Yesterday, Rep. Waters introduced H.R. 3916, the Protecting Post Offices Act, which would reduce the operating costs of the US Postal Service to provide continued service in urban and rural communities and save 28,000 American jobs. She is joined by American Postal Workers Union, AFL-CIO in support of this much needed legislation to stabilize the US Postal Service.

Azerbaijan Business Center: Azerbaijan's national postal operator prepares for issuance of international payment cards. Today at the forum in Baku "Tax system in Azerbaijan: realities and prospects" head of Payment System and Calculation Department of Central Bank of Azerbaijan Kamala Gurbanova has reported that since 2010 Azerpocht started integration in national payment system." About 930 departments and offices of Azerbaijan. In 2010 Azerpocht was connected to card infrastructure and in 2011 the operator issued local cards for the first time. Azerpocht is now ready for issuance of international payment cards", Gurbanova said.

Postal Regulatory Commission				
RULES				
Appeals of Post Office Closings,				
6676–6681 [2012–2931]	[TEXT] [PDF]			
Postal Comica				
Postal Service				
RULES				
Office of Inspector General Contractor Requirements,				
6676 [2012–2941]	[TEXT] [PDF]			

Hellmail: A summit meeting in Brussels on 31 January 2012 between International Post Corporation (IPC) and the Universal Postal Union (UPU) saw leaders of both organisations discuss ways to further enhance effective collaboration in the interest of the entire postal world. IPC hosted the half-day meeting, in which Herbert-Michael Zapf, IPC President and CEO, Dag Mejdell, IPC Chairman, and Alan Barrie, IPC Director of Operations and Technology, welcomed to their Brussels headquarters UPU Director General Edouard Dayan and Akio Miyaji, UPU Director Operations and Technology. Both parties committed to re-energise the relationship between their respective organisations and build upon current areas of collaboration such as environmental sustainability, in order to further develop multiple and effective channels of cooperation. One such area will see operational teams working together to examine and establish concrete ways of combining strengths, and streamlining structures and procedures to maximise results with limited available resources.

The Epoch Times: The Congressional Budget Office (CBO) releases its 10-year Budget and Economic Outlook during the first month of every year. There was no exception in 2012, as the CBO released its outlook on Jan. 31, followed by the testimony of economist Douglas W. Elmendorf, director at the CBO, to the Committee on the Budget in the U.S. Senate on Feb. 2. Elmendorf gave a rather gloomy forecast on the U.S. economy, suggesting that the United States's unprecedented high budget deficit is closely connected to the U.S. economic health and will not improve significantly until the economy rebounds.

Federal Times: Remember that U.S. Postal Service list of about 3,650 post offices under study for closure? It's now down to around 3,270. Since the original roster was released last July, 380 facilities have quietly been given a reprieve.

China Daily: Business volume for China's postal services maintained strong growth in 2011, according to the State Post Bureau, conjuring up promising prospects for the country's logistics companies. Revenue from China's postal services jumped by 22.3 percent in 2011 to 15.6 billion yuan (\$2.4 billion). Half of the revenue (7.58 billion yuan) came from the express business, up 32 percent year-on-year, according to data from the bureau. Domestic business continued to shore up the express industry in China. Official data showed that revenue from the international express business in 2011 accounted for only 24.4 percent of the industry's total figure, declining 6.7 percentage points from the previous year.

February 8, 2012

Post & Parcel: Portuguese postal service CTT is trying out technology from US firm Escher Group at a fully self-service postal kiosk established next to its headquarters in Lisbon. Boston-based Escher Group said the "21st century post office" set up in Parque das Na‡ es, allows 24-hour operation every day of the year, providing services traditionally found at the post office counter. The kiosk requires minimal maintenance and is designed to handle a diverse range of services, said the company, including mail services, pricing, label printing, bill payment and financial services as well as post office box management. Using Escher's RiposteKiosk software, the system also includes sale of items from CTT's "extensive" catalogue of retail products.

Federal Times: As expected, Sen. Tom Carper, D-Del., has formally asked Postal Regulatory Commission Chairman Ruth Goldway to justify all official travel since she assumed the position 2-1/2 years ago. In a letter to Goldway sent today, Carper sought a detailed itinerary and justification for each official trip she's taken—along with similar information for her last two predecessors—by Feb. 20. Carper, who chairs a Senate subcommittee with jurisdiction over the U.S. Postal Service and the PRC, also requested details on the commission's travel policy and any procedures in place to prevent wasteful or unneeded travel. In today's letter, Carper tells Goldway that he is "appreciative of the steps that you, your fellow commissioners, and your staff have taken to improve commission operations and to keep my staff and me informed of your work and the commission's progress." See also the Washington Post and The Hill.

Post & Parcel: The global communications market is now changing much more quickly than ever expected, with postal operators around the world having to adapt at a much more rapid pace. That was a key theme that emerged from this week's World Mail and Express Americas conference.

BusinessLife: The scope of the universal service in the postal sector in Jersey is appropriate despite declining mail volumes, according to a comprehensive study into the postal market by the Channel Islands Competition and Regulatory Authorities (CICRA). The wide-ranging report, prepared following a request from the Minister for Economic Development, looked at the future of the postal sector in Jersey in a period of considerable change.

News.am: Armenia's Transport and Communication Minister Manuk Vardanyan received Wednesday director Jean-Paul Forceville of the International and External Relations Department of France's La Poste Company and, Mark Lisac, the person in charge of the programs of the Company's International Affairs Department. The parties discussed the service agreement which La Poste and Armenia's Haypost Company had signed in 2010.

Redstate: The annual federal budget is a whopping \$3.6 trillion, but that figure fails to capture the true burden of government on taxpayers. There are a number of GSEs (government sponsored enterprises) that are considered off budget. Politicians use off-budget entities like Fannie Mae, Freddie Mac, and the Postal Service to obfuscate the true cost of government.

Federal Times: The Old Post Office building in Washington will become a luxury hotel — courtesy of Donald Trump. The General Services Administration selected the Trump Organization to submit a more detailed plan to turn the building into a 250-room luxury hotel, complete with restaurants and spas. The agency will spend the next year negotiating details on price, how the building will be used, and how the Trump Organization will preserve the historic structure.

The Passing of Michael Winn

It is with great sadness that we note the passing of PostCom Treasurer Michael Winn, who has served for several years on the PostCom Board of Directors in behalf of R.R. Donnelley. Mike was a consummate professional, an effective advocate, and one of the world's really nice guys. He will be sorely missed. Our prayers and thoughts are with his wife and all the other members of his family.

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

Dutch regulatory authority Opta threatened to impose fines on PostNL should the company fail to meet the quality of service targets.

At the end of January rating agency Standard & Poor's had bad news for two postal operators in Oceania. Australia Post's as well as New Zealand Post's credit outlook were downgraded from 'stable' to 'negative'. In both cases the agency explained its decision with the development of the mail business.

U.S. American RPost has been in a legal dispute with Swiss Post for about two years (CEP-News 10/10). Now the company, which holds 35 worldwide patents for verifiable proof of e-mail

delivery, will open an office in Switzerland soon. According to a press invitation the company plans to announce further details about its market entry at the end of February.

On Thursday last week Brazil's Federal Supreme Court has stopped the tendering procedures for franchise contracts for post offices by an injunction.

The second edition of the 'Reference Guide CEP and Logistics' has been published! In months of detailed research undertaken by the editorial team of the CEP News and the German KEP-Meldungen data and facts on the 20 most important express and postal markets and 11 major players have been compiled. Relevant information concerning this global industry has been prepared in comprehensive country and company profiles. The Reference Guide offers market observers, analysts, journalist and everyone interested in this dynamic market a unique and well-founded overview of relevant market partners as well as an insight into the connections linking domestic and international players. The some 400-page paperback Reference Guide is now available and can be ordered at a price of 99 euros (plus tax and postage) on MRU's website (http://www.m-r-u.de/en).



The MRU, founded in 1992, is the only consultancy in Europe, which has specialised in the market of courier-, express- and parcel services. For large-scale shippers and CEP-services in particular, the MRU provides interdisciplinary advice for all major questions of the market, as there are for example market entry, product design, organisation, and EDP. <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.)

The Independent: A unit of online brokerage TD Ameritrade will pay \$1.5 million to resolve concerns that it violated postal rules and received discounts the company wasn't entitled to. Nebraska's U.S. Attorney Deborah Gilg said Tuesday that TD Ameritrade Clearing had agreed to a settlement in the case involving mailings sent between October 2006 and September 2009. Prosecutors say TD Ameritrade failed to update its addresses with a postal database of change-of-address information before sending out its mailings. So the Omaha company wasn't entitled to the discounted first-class postage rate it claimed.

WSA Today: Americans say they love to receive mail, yet send less and less of it. The Postal Service says almost two months pass before the average household gets a personal letter, compared with two weeks 15 years ago. Only 4% of household mail comes from another household. The Internet provides a faster, cheaper and easier way to communicate. This, along with a huge overhead, has plunged the Postal Service into financial crisis. Last year, it lost \$5.1 billion. With personal correspondence, periodicals and transactions (bills, statements, payments) now accounting for less than 40% of household mail volume, the mailbox is becoming an advertising channel. It's an effective one; unlike commercial e-mail, almost two-thirds of Standard Mail is read or looked at. Anthony Conway, who lobbies in Washington for an association of non-profits, says mail is still the best way for such organizations to reach supporters. So the Postal Service, which also delivers packages profitably and provides a vital link to the rural, the elderly and others without online service, probably will survive.

The following reports have been posted on the *U.S. Postal Service Office of Inspector General* website (http://www.uspsoig.gov). If you have additional questions concerning a report, please contact Wally Olihovik at 703-248-2201 or Agapi Doulaveris at 703-248-2286.

• <u>Domestic Mail Manual Preparation and Acceptance Mail Instructions (Report Number CI-AR-12-004)</u>. The Postal Service should make every effort, given digital age alternatives, to simplify mail

preparation/acceptance and remove unnecessary barriers to entry. Customers and employees must navigate over 2,300 pages of mail preparation/acceptance instructions and mailers must complete postage statements ranging from five to 25 pages. In addition, there are approximately 800,000 mailing permits in *PostalOne!* Our analysis shows that the Postal Service has an opportunity to reduce the number of active permits from 300,000 to a range of 4,600 to 10,000 by eliminating multiple permits.

Postal Vehicle Service Transportation Routes – Margaret L. Sellers Processing and Distribution Center (Report Number NL-AR-12-001). Our report determined that Margaret L. Sellers Processing and Distribution Center (P&DC) management reviewed and adjusted Postal Vehicle Service (PVS) schedules due to implementation of the Flats Sequencing System (FSS) at the facility. However, P&DC officials could more effectively manage PVS transportation processes and schedules which would reduce driver workhours as well as associated fuel use and damage claims. Additionally, we verified that management cancelled or consolidated underutilized trips from highway contract routes (HCRs) that serve the P&DC.

At the Postal Regulatory Commission: Two employment positions available at the PRC:

- http://www.prc.gov/PRC-DOCS/EMPLOYMENT/Consumer%20Affairs_Dockets%20Asst_FINAL_2478.pdf
- http://www.prc.gov/PRC-DOCS/EMPLOYMENT/Receptionist%200312 FINAL 2479.pdf

National Association of Major Mail Users: In a statement released today, the National Association of Major Mail Users (NAMMU), enthusiastically supported the United States Postal Service (USPS) "2nd Ounce Free" program launched in January on First Class Mail. NAMMU has been seeking the same type of incentive for business mailers in Canada for several years. According to NAMMU President, Kathleen Rowe, Canada Post needs to move swiftly to stem the tide of electronic substitution on Transaction Mail exacerbated by last year's service disruption. "The Transaction Mail product has enormous potential for 'value add' opportunities that pay off for both the mailer and the postal service. The incremental grams return the marketing space taken back abruptly several years ago, and renew the viability of the mail piece as an integrated part of a marketing campaign. Transaction mailers can ramp up fairly quickly, and the Value Add Mailers (VAMs) can really 'sell' this re-opened opportunity," said Rowe.

February 7, 2012

Post & Parcel: The head of Brazil's postal service spoke of his company's ambitious growth plans yesterday, particularly in expanding parcel and logistics services and building a significant presence outside Brazil. Wagner Pinheiro de Olivera, president of the Post and Telegraph Company (ECT/Correios) opened this week's World Mail and Express Americas conference with the bold declaration that his strategy was to take ECT's economic value from 0.4% of Brazil's GDP up to a full one percent.

Save The Post Office: There's a lot at stake in the battle over postal reform — billions of dollars of corporate profits, the power of unions, the very existence of post offices — so one can't be surprised that the politics got a little rough this week. Apparently, however, there are people who want to marginalize Goldway by putting her on the defensive. One can't help but wonder if the whole thing wasn't orchestrated from within L'Enfant Plaza.

Courier, Express, and Postal Observer: Right now the Postal Service has committed to Congress to hold off closing postal facilities and implementing Network Optimization Initiative (NOI) until mid-May. This date is two months before the Postal Regulatory Commission (PRC) will close the record on the Postal Service's NOI proposal and between three to five months before the Commission publishes its opinion. The difference in time between when the Postal Service promised Congress that it would implement Network Optimization Imitative and when the Commission will issue raises an interesting question. (1) Does the Postal Service have to wait for the Commission's decision to act? (2) So why would the Postal Service want to change its traditional schedule of not making changes until after an advisory opinion from the PRC? (3) Are there Political consequences if the Postal Service does not wait? (4) Are there legal consequences if the Postal Service does not wait?

The Nation: Republican leaders in Congress are talking about dismembering the U.S. Postal Service by cutting the number of delivery days, shuttering processing centers so that it will take longer for letters to arrive, closing

thousands of rural and inner-city post offices and taking additional steps that would dramatically downsize one of the few national programs ordained by the original draft of the U.S. Constitution. At the same time, supposedly "centrist" U.S. Senators Tom Carper, D-Delaware, Joe Lieberman, I-Connecticut, Susan Collins, R-Maine, and Scott Brown, R-Massachusetts, are trying to build a "bipartisan consensus" for a death by slower cuts. Their "21st Century Postal Service Act," a supposed compromise now being weighed by the Senate, would still force the postal service to close hundreds of mail processing centers, shut thousands of post offices, and cause massive delays in mail delivery and push consumers toward most expensive private-sector services. Their rationale for making the bloodletting, much discussed in the media, holds that radical surgery is necessary because the postal service is in financial crisis. The postal service, we are told, is broke. There's only one problem with this diagnosis. It's wrong. The postal service is not broke.

PRNewswire: Valassis, one of the nation's leading media and marketing services companies, announced today that it has been named as one of the "Top 50 Companies for Executive Women" by the National Association for Female Executives (NAFE).

The Columbian: This may be the golden age of presumptuous ignorance. The most recent demonstrations of that are the Occupy Wall Street mobs. It is doubtful how many of these semi-literate sloganizers could tell the difference between a stock and a bond. Yet there they are, mouthing off about Wall Street on television, cheered on by politicians and the media. If this is not a golden age of presumptuous ignorance, perhaps it should be called a brass age. Presumptuous ignorance is not confined to politicians or rowdy political activists. A recent column that mentioned the "indirect subsidies" from the government to the Postal Service brought the presumptuously ignorant out in force, fighting mad. Because the government does not directly subsidize the current operating expenses of the Postal Service, that is supposed to show that the Postal Service pays its own way and costs the taxpayers nothing. Politicians may be crooks but they are not fools.

Post & Parcel: US postal commissioner Mark Acton yesterday called on America's lawmakers to act now to pass urgent postal reforms. Although the Postal Regulatory Commission is currently in the process of considering major changes to the US Postal Service network and its First Class Mail service standards to reduce operating costs, the Commissioner said only Congress could make the kind of changes that would actually rescue USPS. Acton was speaking yesterday at the World Mail & Express Americas conference in Miami, in front of more than 200 officials from across the global industry.



<u>Tewkesbury ADMAG</u>: The Government has pledged @1.3 billion over the next few years to halt what it says is the decline of postal outposts – often a hub of the villages where they are located.

Get Social With NPF! If you haven't joined in the conversation with us on Facebook, LinkedIn and Twitter, please take a moment to help us build our fan base and momentum with our social media initiative. And don't forget to visit our new Industry Blog, where you'll read about anything from success stories and trends to news and consumer research studies. Like this article for example: Managing Just Fine Thank you for your support and for taking a few minutes to connect with us online. It'll help us start 2012 with a bang.!

Senator Patrick Leahy: In every state, the Postal Service is contemplating a wholesale shuttering of mail handling facilities and post offices. To do this, the Postal Service will relax its delivery standards, crippling one of its biggest competitive advantages, and sending the Postal Service into a kind of death spiral. The toll this would take in human terms and on a fragile economy is clear. At a time when we are straining to encourage an expansion of jobs for working families, the Postal Service is looking to push tens of thousands of workers into unemployment. At a time when the President is looking for creative ways to provide jobs for returning veterans, the Postal Service is dramatically reducing its workforce, which is the second-largest employer of veterans in this country. I have come to see the Postal Service as divorced from reality."

Senator Bernie Sanders: "At a time when the U.S. Postal Service is considering deep cuts in services and jobs, an internal watchdog told Sen. Bernie Sanders on Monday that a big funding cushion already has been built into the mail service's retirement and health benefit funds. Billions of dollars owed to the funds have been cited by Postal Service managers as a main reason that it must cut 220,000 jobs and close 3,700 post offices and 252 mail processing plants - half of all the current sorting centers. In a letter to Sanders, however, Postal Service Inspector General David C. Williams said the programs are flush with funds. He said the Postal Service has "significantly exceeded" the amount that the federal government and the nation's most profitable corporations have socked away for pension and retiree health care. "Using ratepayer funds, it has built a war chest of over \$326 billion to address its future liabilities," Williams told Sanders. Sanders said the Postal Service needs reforms to make it competitive in the e-mail era. He wants a blue ribbon commission to give the Postal Service ideas about how it can substantially increase revenue by offering far more services than today."

<u>Times-Picayune</u>: U.S. Sen. Mary Landrieu is backing creation of a blue-ribbon panel to examine how the U.S. Postal Service can make money by offering new services and products to help reduce its huge operating losses. Landrieu, D-La., joined Vermont's two senators, Independent Bernie Sanders and Democrat Patrick Leahy, at a news conference Monday outlining steps they believe can avert the Postal Service's plan to close 3,600 post offices, eliminate Saturday mail delivery and potentially lay off 100,000 workers. Landrieu joined Sanders and Leahy in urging Congress to waive requirements that the Postal Service prepay billions of dollars in retirement costs years before they are needed and get reimbursed for more than \$20 billion in payments already made.

Postal Reform Act (S. 1789), a deeply flawed bill designed to 'save" the U.S. Postal Service by downsizing it dramatically. Given the high stakes for real people, Congress needs to get this right. But at its core, the current bill blames the Internet and poor management for the Postal Service's financial losses. That's wrong, and the legislation's mandates would do nothing to restore the USPS to profitability. Rather, it is likely to sacrifice quality service and American jobs, and result in a degraded postal service. The legislation as written will drive mail out of the postal system, thereby reducing revenue and requiring yet further cuts to service. The Postal Service receives no tax money to support its operations, and cuts in service amount to a cost increase on the public.

<u>WHP-TV</u>: The United States Postal Inspection Service is investigating The Second Mile, the charity founded by alleged child predator and former Penn State assistant football coach Jerry Sandusky, reports CBS 21 News Sports Director Jason Bristol.

National Association of Letter Carriers: Rep. Dennis Ross, the chairman of the House Subcommittee on the Federal Workforce, U.S. Postal Service, and Labor Policy, introduced H.R. 3813, the Securing Annuities for Federal Employees Act. But it probably comes as little surprise that Ross' measure, were it to become law, would in fact threaten the retirement benefits of federal workers—including postal workers. Ross' proposal calls for entirely eliminating the defined benefit component government workers receive under the Federal Employees Retirement System (FERS). Instead, under the Ross plan, FERS annuitants would be entitled only to the benefits earned through both Social Security and the Thrift Savings Plan (TSP). "Ross' bill is a blatant attack on federal pensions," NALC President Fredric Rolando said, "yet another front in the war on the middle class being pursued by the right-wing faction that now dominates the national Republican party."

American Postal Workers Union: Postal reform is a hot topic in Congress as the Senate prepares to vote on the 21st Century Postal Service Act, and APWU President Cliff Guffey is urging union members to contact their senators and let them know: Senate bill 1789 is unacceptable in its current form. As lawmakers review the bill, Guffey is asking union members to let their senators know that S. 1789 must be amended. "Supporters of the bill are also weighing in on the legislation, so it is crucial that we get our point across," he said. In its current form, the bill would give the USPS some short-term financial relief, but also would inflict long-term damage to the nation's mail system, Guffey said. "The bill would force the Postal Service to close hundreds of mail processing centers, shut thousands of post offices, and cause massive delays in mail delivery," Guffey said. "By failing to give more substantial financial relief, the bill would weaken the Postal Service, kill jobs, and drive customers away," he added.

The Hill: Sen. Bernie Sanders (I-Vt.) said Monday that he hoped Republicans would join him in pushing for changes to a measure overhauling the U.S. Postal Service's operations. Sanders has led the charge in recent days to alter the bipartisan Senate postal bill, and has said that he has concerns that USPS is pressing to make modifications that would hurt rural communities and eliminate jobs. "Republicans coming from rural areas – they're experiencing the same problems that we're experiencing," Sanders said at a Monday news conference. "I think there's a whole lot of support, and I hope we can make some of these improvements to the bill before it gets to the floor." Sanders's push also underscores the different philosophies that groups are employing when it comes to postal reform.

February 6, 2012

Toronto Star: The ubiquitous red street letter box in Canada is going the way of the pay phone. They are harder to find because Canada Post has removed more than 1,000 from across the country, in large part because household mail has dropped off 17 per cent in the past five years. In 2009 Canada Post had 31,584 street letter boxes and in 2011 that number dropped to 30,546. "People are not sending as much mail anymore," Anick Losier, a spokeswoman for Canada Post, told the Toronto Star Monday. Losier said the decline is expected to continue as more people become adept with not only online messaging, but also receiving and paying bills.

The Passing of Rose Epstein, beloved wife of Lee Epstein

Rose Lansman Epstein. A former top executive at Time, Inc, passed away peacefully on February 3, 2012, following a long illness. Born on July 10, 1923, Rose grew up in Queens and graduated from City College. She took an entry level job in Time, Inc.'s accounting department in 1944. She stayed with Time Inc. Magazines for forty-six years, becoming the first female senior executive on the business side. On her retirement in 1990, she was Director of Administration and the third-longest-serving employee in company history. Rose was married to J.A. (Lee) Epstein, founder and former Chairman of Mailmen Incorporated, a

direct mail advertising firm. Lee Epstein is a former chairman of Association of Third Class Mail Users (now PostCom) and the Mail Service and Advertising Association (now MFSA).

Post & Parcel: Danish digital postal mail service e-Boks is expanding to Norway, with plans to expand into Sweden. The joint venture between Post Danmark and electronic payments firm Nets has signed agreements with a number of Norwegian companies to use the service, saying that the country was an obvious market with its high internet penetration rate. The company said once it has become the "preferred" digital distributor in Norway, it will enter the Swedish market.

According to PostCom Vice President <u>Jessica Lowrance</u>, (*Revised copy*) "Understanding what's going on and who's doing what when it comes of proposing changes to postal law to address the challenges being faced by the U.S. Postal Service (USPS) today can be a formidable challenge. To understand, it's best to view the subject in as systematic a manner as possible. The challenge facing the Postal Service is a simple one to understand. It's costs are much greater than its revenues, and the size of its human and physical infrastructures (which are at the base of its costs) are much larger than can be justified by an realistic estimate of future mail volumes and workload demands. The Postal Service know this. Mailers know this. Postal labor knows this. About the only people who appear to be a bit in the dark are the people who are proposing the many changes to the nation's postal laws."

New audit projects have been started on the external website: <u>Use of Data within Finance and Planning – 12BG018FF000.</u> For FY 2012, the OIG Office of Audit is embarking on a series of audits related to how the Postal Service uses data to manage their operations. The Data Analysis and Performance Directorate has initiated this audit that will address the use of data within the Finance and Planning (F&P) office. The structure of the F&P office designates seven main groups: Analysis and Reporting, Program and Financial Performance, Corporate Budget, Field Budget, Finance Business Solution, Regulatory Reporting and Analysis, and Statistical Programs. The audit team will first engage in a survey of the data usage, during which we will gather the information required to assess the data need/risk within the F&P office. Based on the assessment, we will then develop an audit plan that only focus on a number of the office's seven groups. Eventually, we want to identify

better ways of using data for decision-making and workforce planning for the audited F& P groups. Our survey objective is to determine if the Postal Service Finance and Planning office is managing and using critical data in a manner that enables managers and assists employees to in achieve strategic and operational goals.

PostalVision 2020 organizers are pleased to announce that the second PostalVision 2020 conference, PostalVision 2020/2.0, will take place on June 12-13 at the L'Enfant Plaza Hotel in Washington D.C.

Building on the success of last year's event, the second expanded two-day PostalVision 2020 conference will convene experts from the digital, commercial and postal realms to discuss the future of the Postal Service, taking into consideration the incredible challenges stacked up against the organization.

Analytiqa: Logistics Bulletin: Each week, Analytiqa highlights key events across the logistics industry in a concise email. From acquisitions and mergers through to contract wins and supply chain developments, you can keep track of the essential events with this free service. Events and latest developments are updated daily on analytiqa.com.

My Racine County: Town of Waterford residents who think they're living on County Road L must begin using the Janesville Drive addresses that are listed in letters received from the United States Postal Service (USPS) last week. The letters, dated Jan. 23, inform residents using County Road L as their street name that they, in fact, live on Janesville Drive and need to change their addresses to reflect the correct street name. According to Town Clerk Tina Mayer, this all began with a phone call from Sherry Conroy, a USPS address management systems specialist.

©Columbia Missourian: Sen. Claire McCaskill plans to announce proposals Monday to keep rural post offices open and maintain six-day mail delivery for at least the next four years. McCaskill's proposal would allow the independent Postal Regulatory Commission to prevent post offices from being shuttered when the Postal Service did not present communities alternatives to closure, such as reducing hours of operation. Her proposal to continue six-day mail delivery for four years is two years longer than is proposed in the 21st Century Postal Service Act. McCaskill also wants to maintain one- to three-day delivery standards for first class mail. McCaskill's plan also includes cutting costs by reducing agency payments into an account to fund future retiree health benefits. The annual payments into that account currently total \$5.5 billion, but McCaskill has proposed cutting them to between \$3 billion and \$3.5 billion annually. She's also asking that a commission be established that can recommend a new business model for the postal service to "achieve long-term fiscal sustainability within one year." But if those efforts fail to ensure the Postal Service remained self-sustaining, McCaskill said it would be reasonable for the government to help subsidize it. [EdNote: Someone has finally spoken what many in Washington thought was unspeakable. She knows what she wants, and she's explained how to get it.]

Times Free Press: Did you happen to notice that the price of first-class postage went up by 1 cent recently -- from 44 cents to 45 cents? If you didn't, it may be because, like millions of other Americans, you have been relying more on email and the Internet -- and less on slower, traditional stamp-and-envelope mail -- to pay bills and keep in touch with friends and family. That shift to the Internet has cost the U.S. Postal Service billions of dollars in revenue, which has prompted the increase in stamp prices. But even with that extra revenue, it's doubtful the Postal Service will be able to drop a current proposal to close potentially thousands of post offices nationwide, including Chattanooga facilities in Alton Park, East Brainerd and Highland Park. We regret the jobs that will be lost, but propping up services that the American people simply are not using very much is no alternative.

Financial Times: Dutch express mail company TNT Express has broken into open feud with a group of activist shareholders, rejecting their request to appoint three new directors and accusing them of paying the proposed directors themselves. The rejection marked a new level of acrimony in a long-running battle between TNT Express management and a shareholder group led by American hedge fund Jana Partners.

Post & Parcel: Hungary's postal service, Magyar Posta has won the chance to become the country's fourth mobile phone operator in a government auction. Magyar Posta won a five-megahertz block of the telecommunications frequency spectrum around the 900-megahertz frequency, as part of a consortium involving the

Hungarian Power Works (MVM) and investment banking group MFB Invest, which put in a bid of around EUR 10bn.

Mashable: Even in the richest countries on the planet such as the United States, not everyone has easy access to this cornucopia of connectivity, the Internet. The Internet is a tremendous growth engine, responsible for 21% of economic growth in the more advanced countries on the planet, according to a McKinsey study. While those of us in the United States complain about how we have to pay more for Internet service that's slower than those of other first-world countries, within the United States there's a gaping chasm between the haves and the have-nots. There are vast gaps between Internet accessibility in cities and rural areas, racial disparities in Internet access (which isn't as pronounced as it was a decade ago), and the growing gap between rich and poor and its influence on who goes without computers or Internet access. Beyond that, you'll see more information about how the U.S. lags behind other countries in Internet technology, broadband speed and access.

Washington Post: Postal Regulatory Commission Chairwoman Ruth Y. Goldway has traveled across the country and around the world since taking leadership of the nation's postal regulator in August 2009. Costs for her trips top \$70,600, according to a Washington Post analysis of her travel. Lawmakers say they plan to look into Goldway's trips, detailed in a Federal Eye article in Monday's Post, that found she has traveled to conferences and speeches nationwide and to meetings with international regulators in Scotland, Portugal, Spain, Finland, France and China. Goldway defended her travel schedule during an interview Friday. A transcript of the conversation — edited for clarity and length — appears in the Post.

Washington Post: Days before the U.S. Postal Service announced record-setting losses in September, the nation's top postal regulator traveled to Scotland for meetings with European envelope manufacturers. A few weeks later, Postal Regulatory Commission Chairman Ruth Y. Goldway visited Portugal, Switzerland and China to meet with international postal regulators. The cash-strapped U.S. Postal Service has announced plans to eliminate more than 250 processing centers. Goldway has incurred at least \$70,600 in official domestic and international travel expenses during her tenure, outpacing her predecessor, according to commission travel records obtained through a Freedom of Information Act request. Although the commission's roughly \$14.3 million budget is set by Congress and not directly tied to the Postal Service, the frequency and expense of Goldway's travel is coming under scrutiny from lawmakers who track USPS and its financial woes.

February 5, 2012

Kansas City Star: Sen. Claire McCaskill plans to announce proposals Monday to keep rural post offices open and maintain six-day mail delivery for at least the next four years. McCaskill wants the proposals added to the 21st Century Postal Service Act, which addresses the U.S. Postal Service's massive revenue problems. She provided details of her plan in an interview with The Associated Press ahead of an appearance Monday in Kansas City.



Attention PostalOne! Users: The PostalOne! database hardware maintenance scheduled for today, Sunday, Feb 5, 2012 is experiencing some delays and will extend beyond the maintenance window 4:00 a.m. to 8:00 a.m. A critical incident has been created to document the extension and any system impacts (CI # INC000000124301). There is no impact to PostalOne!, eDoc or Mail.XML. If you are a WebCaps users please be advised that application is impacted and will be unavailable until the maintenance is completed. You will be advised when WebCaps is back online and the maintenance period is complete.

Pushing the Envelope topic: "Why Saturday?" In an effort to reduce costs, the U.S. Postal Service has proposed cutting delivery service to five days per week by eliminating Saturday delivery. Is Saturday the right day to cut? Are there better options? Would it be possible to end Saturday delivery for business addresses while eliminating Tuesday delivery for residential addresses instead? Tell us what you think.

<u>Dead Tree Edition</u>: So far, the Flats Sequencing System seems to be increasing rather than decreasing the Postal Service's sorting and delivery costs, according to a postal expert. "The FSS has at times been seen as the technological fix that would reduce flats costs" and make the Periodicals class less of a money loser for the U.S.

Postal Service, noted Halstein Stralberg in comments Time Inc. submitted Friday to the Postal Regulatory Commission. But based on USPS's data for fiscal year 2011, "FSS processing was in fact very costly and most likely made Periodicals costs higher than they would have been without FSS."

Frederick News Post: "Postal workers: Frederick mail piling up Baltimore facility burdened after local plant's closure, trasferred employees say"

PRWeb: EquaShip, which launched in Q4, 2011 as the new "4th Parcel Carrier" catering specifically to small and medium sized e-commerce merchants, announced today that it is temporarily suspending all customers while it reengineers its transportation network for faster package delivery times, larger geographic coverage and more service options. Ron Wiener, CEO of EquaShip, said "Our customers clearly loved that fact that our prices beat FedEx and UPS by up to 80%, our real insurance coverage bundled with every parcel, and our outstanding customer service. However, in today's ecommerce environment it's not good enough for small and medium-sized merchants to offer Free Shipping. Shipping also has to be fast enough to compete with larger competitors like Amazon who ship from multiple distribution centers. What we heard loud and clear from our customers was that they needed faster transit times than we could deliver through our existing network of transportation partners." "Rather than limit our market only to shippers who could tolerate slower transit times we felt it would be better to stop now, switch out our transportation network providers, and come back with a service that is as fast as today's online consumer has come to expect, but still priced far below the egregiously high rates that FedEx and UPS charge smaller shippers," added Wiener. Given the magnitude of systems integration work that is involved in changing out transportation partners EquaShip has elected to suspend customer operations after the final delivery of all remaining parcels in the pipeline, so that its management team can focus 100% of its efforts on bringing EquaShip back online as soon as possible. The company intends to expand its service offerings with new options for same-day, expedited and international services, in addition to its keystone postal consolidation ground service.

The Hill: Senate Democratic lawmakers from rural states are balking at legislation from the Homeland Security and Governmental Affairs Committee that would let the U.S. Postal Service close thousands of offices. The postal reform bill crafted by Homeland Security Committee Chairman Joe Lieberman (I-Conn.) was expected to reach the Senate floor as soon as next week. Now Senate Democratic aides say it is not likely to come up until after the Presidents Day recess, as senators engage in last-minute shuttle diplomacy to avert a nasty and potentially embarrassing floor fight.

February 4, 2012

Hucknall Dispatch: The Royal Mail sorting and delivery office in Bulwell is to close — despite a campaign to prevent the axe from falling. Royal Mail has blamed a fall in mail volumes for the closure. An official date for the closure has not been announced. [EdNote: Why do the Brits know what to do to try to save a challenged postal system and we Yanks have yet to learn?]

Bangor Daily News: Everyone seems to be worrying about the U.S. Postal Service going into a "death spiral." The Internet is taking over communications. Fewer people send first-class letters. The remedy proposed by Postmaster Pat Dohanoe, who heads the semi-independent agency, includes closing or consolidating hundreds of "low-activity" post offices, eliminating Saturday service and laying off thousands of postal workers. To Maine's Sen. Susan Collins, ranking minority member of the committee that oversees the postal service, that's mostly the wrong idea. The Collins bill would maintain pension pre-funding at 100 percent but reduce health care pre-funding to 80 percent. Sen. Collins says recent analysis puts pension overfunding at \$11.4 billion and says there is no overfunding on health care for retirees.

Delaware Online: Two of Delaware's banking giants have joined the lobbying effort to stop the U.S. Postal Service from closing the state's only mail-processing facility at Hares Corner. WSFS and JPMorgan Chase provided comments opposing the closure of Hares Corner in a letter sent Friday to U.S. Postmaster General Patrick Donahoe by Delaware's congressional delegation and Gov. Jack Markell.

Newark Post: Sen. Tom Carper, chairman of the Senate Subcommittee that oversees the U.S. Postal Service, along with Gov. Jack Markell, Sen. Chris Coons and Rep. John Carney (all D-Del.) wrote to United States Postmaster General Patrick Donahoe urging him to review the U.S. Postal Service's proposal that would revamp Delaware's only mail processing facility, causing a significant negative impact on Delaware. Specifically, the Postal Service has proposed transferring the mail processing functions from the Delaware Processing and Distribution facility at Hare's Corner in New Castle, Del., to another facility in Bellmawr, N.J.

February 3, 2012



PostalOne! TEM Software Maintenance: On Friday, February 3, 2012 the PostalOne! TEM environment will have a WebSphere patch installed in a rolling fashion with no outage to the PostalOne! TEM environment. This install will occur at 9:00 p.m. CST and will address a known issue with large XML messages. This is being done on a Friday evening so that the PostalOne! support team can closely monitor over the weekend and identify and correct any issues before start of business on Monday morning.

PostalOne! Database Hardware Maintenance: On Sunday, February 5, 2012 the PostalOne! database will undergo hardware maintenance installed in a rolling fashion with no outage to the PostalOne! application. The upgrade will occur during the scheduled maintenance window from 4:00 a.m. through 8:00 a.m. CST. No system availability or performance issues should be experienced by users.

PostalOne! Performance Patch Release 29.0.3.4 Maintenance: On Sunday, February 12, 2012 the PostalOne! application will deploy a software patch release installed in a rolling fashion with no outage to the PostalOne! application. This patch release (29.0.3.4) will occur during the scheduled maintenance window from 4:00 a.m. through 8:00 a.m. CST and will correct several known performance issues in Release 29.0. No system availability or performance issues should be experienced by users.

PostalOne! MicroStrategy Reporting Maintenance: On Sunday, February 19, 2012 the PostalOne! MicroStrategy reporting environment will be unavailable to internal and external users during the scheduled maintenance window of 4:00 a.m. through 8:00 a.m. CST to allow for system maintenance. During the outage internal users will not be able to access Verification and Performance Reports for Business Mail Acceptance, Electronic Mail Improvement Reporting and Service Performance Measurement. External users will not be able to access the Mail Data Quality Reports. Other PostalOne! application components will not be affected. If you experience any issues please contact the help desk for assistance.

<u>CNBC</u>: It's no secret that the financial crisis and resulting malaise has taken its toll on bank stocks, commodities and Treasury yields. But it may be have triggered another ripple – one that has gone somewhat unnoticed. Pension funds have become seriously underfunded. According to a recent report from Credit Suisse some of the nation's largest companies owe their pensions more than 25% of their market cap (after taxes).

MSNBC: The U.S. economy is like a flywheel: It takes a lot to get it going. Once it starts moving, it can pick up speed pretty quickly. To see why, look no further than Friday's jobs report, which offered convincing evidence that the U.S. recovery is finally gaining momentum. After months of subpar growth in their payrolls, American companies added 243,000 new jobs in January, considerably more than the 150,000 that forecasters expected. That drove the unemployment rate down by two percentage points to 8.3 percent, extending a rapid decline from 9.1 percent last August.

Letter to Hill from MPA, et al in support of S. 1789.: "You are to be commended and congratulated for writing and introducing an excellent bill that addresses several key issues that are threatening the stability of our nation's postal system in a balanced and responsible way. (1) The bill provides the Postal Service with financial breathing room by amortizing the pre-funding of retiree health benefits over time, thereby reducing the \$5+ billion retiree health pre-funding payments that the Postal Service is now required to make each year. (2) The bill allows the Postal Service to close facilities and, if found to be financially necessary, eliminate Saturday delivery. While such

operational changes may negatively affect the service provided to mailers, they are potential sources of large savings that merit careful consideration. (3) The bill authorizes the Postal Service to offer buyouts and retirement incentives to its employees. This will allow the Postal Service to realign its operations with reduced volumes in a fair way. These buyouts will also be funded responsibly: by directing the Office of Personnel Management (OPM) to return to the Postal Service more than \$11 billion in overpayments that it has made to the Federal Employees Retirement System pension fund. We thank you for stepping forward at this critical moment to provide strong leadership to ensure the Postal Service's financial stability. We look forward to working with you to quickly pass this legislation." [EdNote: This bill is expected to come up for consideration in two weeks.]

Courier, Express, and Postal Observer: The shrinking Postal Service workforce is currently having some welcome impacts on the Postal Service's balance sheet. Surpluses have formed in the Postal Service's Civl Service Retirement System (CSRS) and Federal Employee Retirement System (FERS) Accounts. The unfunded liability associated with the Postal Service's retiree health benefit plan has declined even with the Postal Service not making \$11 billion in payments required by the Postal Accountability and Enhancement Act.

The Guardian: The MP for North Norfolk is taking over as minister for employment relations, consumer and postal affairs. Norman Lamb's previous life as an employment lawyer will stand him in good stead as he tackles his in-tray in his new role as minister for employment relations, consumer and postal affairs. The MP for North Norfolk, who takes over the reins from his Lib Dem colleague Ed Davey, who has been promoted to energy secretary, will be responsible for overseeing the review of employment law and implementing the privatisation of the Royal Mail. His new boss, Vince Cable, the business secretary, said it was a fitting appointment in light of the fact it was Lamb who pioneered the Lib Dems' policy to privatise Royal Mail and establish employee share ownership in the business while serving as the party's trade and industry spokesman.

DMM Advisory: IMbTM Services Update. PostalOne! MicroStrategy Reporting Maintenance: On Sunday, February 19, 2012, the PostalOne! MicroStrategy reporting environment will be unavailable to internal and external users during the scheduled maintenance window of 4 a.m. through 8 a.m. CST to allow for system maintenance. During the outage, internal users will not be able to access Verification and Performance Reports for Business Mail Acceptance and external users will not be able to access the Mail Quality Reports. Other PostalOne! environments will not be affected.

<u>Multichannel Merchant</u>: The U.S. Postal Service, desperate for revenue, is trying to encourage more businesses to send direct-mail first-class by letting them send 2-ounce letters for the rate of a 1-ounce mailing -- an offer cable, satellite and telco operators are greeting with a collective shrug.

Post & Parcel: Austrian Post has opened a new call centre as it works to expand its customer service operations and improve service quality. The new operation in Klagenfurt is the postal operator's second largest call centre, capable of handling more than 1.1m calls each year, but a further increase from the initial 23 staff is on the cards. Staff have been taken from the operational and retail network, with around 4,000 hours of training provided.

Senate to pass the 21st Century Postal Service Act as quickly as possible. The bipartisan comprehensive postal reform bill, introduced by Senators Joe Lieberman, Tom Carper, Susan Collins and Scott Brown, would deliver critical reforms to the U.S. Postal Service which is mired in a financial crisis that could lead to a disruption in mail service as early as mid-summer. "There is no time to waste. Eight million private sector jobs hinge on the future of the Postal Service, and the economy as a whole continues to rely a great deal on paper communications and package delivery, so it's critical that Congress enact postal reform immediately," said Art Sackler, coordinator for the Coalition for a 21st Century Postal Service, a group representing the private sector mailing industry. "This bipartisan legislation introduces some long-needed reforms that would help the Postal Service regain financial stability." The bipartisan Senate legislation includes many provisions supported by the private sector mailing industry. This includes a plan to return overpayments that USPS has made into the Federal Employees Retirement System (FERS) in order to help the Postal Service encourage early retirements. The bill would also allow USPS to forego prepaying for retiree health care for one year, and then re-amortize these prepayments over the next forty years – saving the

Postal Service roughly \$5 billion per year. And it would lay the basis for streamlining the system to fit the dramatically reduced amount of mail it handles today.

UNI Global Union: Representatives from nine trade unions in Eastern Europe who will have to liberalise their postal markets by 1 January, 2013 gathered in Bucharest (2-3 February 2012) to discuss postal liberalization. Speakers from trade unions in Western and Northern Europe where postal liberalization has already happened, such as Sweden, Belgium, Germany and the Netherlands, spoke about how liberalization affected postal workers' jobs and how unions can prepare their members for the upcoming changes and minimize the adverse effects. Participants discussed adding social regulation to postal laws, organizing members in the new competitors and having strong collective agreements.

At the Postal Regulatory Commission: The audiocast of the February meeting of the Postal Regulatory Commission can be found here:

http://www.prc.gov/prc-docs/home/whatsnew/Monthly-Meeting-02012012.mp3

<u>WPSD</u>: A local woman says someone from Nigeria stole her identity, opened multiple accounts in her name and took out a big loan, all things she says she probably would've caught except she stayed in the dark for weeks because scammers managed to stop her mail. The culprits used a free online change of address service known as "Updater, Inc." That website then forwarded the information to the postal service.

Business Insurance: Investigators who installed a surveillance camera near the home of a former postal worker eventually convicted of workers compensation fraud got more than they expected. The husband of the female postal worker regularly enjoyed sipping his morning coffee while nude, investigators found in reviewing video from the camera placed atop a utility pole outside their Geneva, Ohio, home. "The camera did record that on occasion," an investigator told a local TV news station. Karen Anderson-Bagshaw, the 49-year-old former U.S. Postal Service worker, recently was sentenced to a year in prison and must pay more than \$70,000 in restitution, according to news reports. She was a postal worker in 2002 when she claimed disability and began receiving workers comp benefits.

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

- 3 Step Approach to Improving Customer Experience & Driving Engagement Reserve your Webinar seat now at: https://www1.gotomeeting.com/register/545405784
- The Postal Regulatory Commission has denied the Postal Service's request for the procedural schedule
 recently established in Docket No N2012-1 Mail Processing Network Rationalization Service Changes,
 2012 be reduced by several months. The Commission said, "such a substantial reduction in schedule
 appears inconsistent with due process afforded all participants when conducting a hearing on the record."
- The Congressional Budget Office (CBO) has released its score of S. 1789 21st Century Postal Service Act of 2011, as ordered reported by the Senate Committee on Homeland Security and Governmental Affairs. It estimated that the bipartisan senate legislation would cost \$6.3 billion for the period 2012-2022.
- According to postal commentator, Gene Del Polito, "Postal Washington is abuzz with news that House and Senate postal reform sponsors soon will seek to move their bills through their respective chambers in the hope of crafting a common postal reform proposal in a House-Senate conference that can be sent to the President for his signature. That's the dream of every legislative sponsor. History has shown, though, that sometimes the dream can turn into a nightmare. . . . Here are some things I think every member should be asking about any postal reform measure that is brought before them before they slip their voting card into the machine reader."
- PostalVision 2020 organizers are pleased to announce that the second PostalVision 2020 conference,
 PostalVision 2020/2.0, will take place on June 12-13 at the L'Enfant Plaza Hotel in Washington D.C.
 Building on the success of last year's event, the second expanded two-day PostalVision 2020 conference
 will convene experts from the digital, commercial and postal realms to discuss the future of the Postal
 Service, taking into consideration the incredible challenges stacked up against the organization.
- USPS to propose repeat mobile barcode promo. CRS provides USPS 2011 financial update and bill comparison. IRS decision costs the Postal Service millions. Federal spending derailed by Amtrak. UPS

alters pension-plan accounting. USPS 'unsustainable' situation, leaders says. USPS tries to scare boomers away from online banking. USPS to propose to repeat mobile barcode promo. Enroute adds last mile postal service delivery services. Congressman Carter calls for PO closing review. PostCom's newest member.

- Updates from the Domestic Mail Manual.
- Updates from the Federal Register that affect the mailing industry.
- An update from the USPS Office of Inspector General.
- A review of postal news from around the world.
- Postal previews.

Hey! You've not been getting the weekly PostCom Bulletin--the best postal newsletter anywhere...bar none? <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.



The PostCom Bulletin is distributed via NetGram

RIA Novosti: The municipal authorities in a Moscow city district denied on Friday they were forcing school heads to send employees to a rally on Saturday in support of Prime Minister Vladimir Putin's presidential election campaign. "The principal position of the prefecture and prefect Valery Vinogradov is that participation in any public events is fully voluntary," the northeast Moscow prefecture said in a statement on its website.



Postal Service				
PROPOSED RULES				
Recognition of Distribution of Periodicals via Electronic Copies,				
5470–5471 [2012–2374]	[TEXT] [PDF]			

U.S. Postal Service suppliers for fiscal year 2011. For the ninth straight year FedEx claimed the No. 1 spot. Another air carrier, Kalitta Air, Inc., which transports military mail bound for Iraq and Afghanistan, claimed the second spot. The list is compiled by David P. Hendel, a partner in the firm who has served clients' postal contracting needs for 30 years. A list of the top 150 suppliers can be found here. First-place FedEx transports Express Mail, Priority Mail and First Class Mail, and earned postal revenues of \$1.495 billion in fiscal 2011 – an increase of \$122 million from last year. Higher fuel prices may account for the increase. Another postal competitor, United Parcel Service, is the Postal Service's 11th largest postal supplier, earning \$102 million in revenue – a \$7 million increase from last year. Six of the top 10 postal contractors are in the transportation field.

Bangor Daily News: With 30 rural Maine post offices facing potential closure and nationwide service cutbacks looming, some local postal service employees and activists are attempting to ratchet up pressure on Congress to rescind a law they insist is causing the agency's financial woes. But at least one member of Maine's congressional delegation said the U.S. Postal Service will need systemic changes to survive. Sen. Susan Collins, R-Maine, is cosponsoring a bill that would reduce the amount of prefunding by essentially spreading the payments out over additional years. The legislation, Senate Bill 1789, also would allow the postal service to reclaim \$11 billion in overpayments to the federal pension system and use that money to offer employees buyouts and early retirement incentives. The goal of that provision is to save the postal service an estimated \$8 billion a year by cutting 100,000 positions, or roughly 20 percent of the total staff. But the bill also directs the postal service to explore ways to shift toward more curbside mail delivery rather than hand delivery to people's doorsteps. Those provisions do not sit well with postal employee unions.

Global Logistics Media: The quality of consumer mail delivery in 2011 has achieved one of its highest in over 20 years scores with 96.1%. By law, PostNL must score at least 95% for the standard overnight delivery services within the Netherlands. This concerns the mail deposited in PostNL's public postboxes. As a rule, these items must be delivered the next working day. PostNL is content with its performance, especially given the many changes it made to its organisation in 2011 to prepare it for a new delivery structure. Mail delivery is no longer prepared at 300 locations across the Netherlands but instead at just nine central preparation locations. The score shows a marked improvement on 2010.

Folio: The MPA: The Association of Magazine Media came together at the Hearst Tower Thursday to discuss an issue that is plaguing the minds of publishers, lawmakers and individuals across the country: the state (and future) of the U.S. Postal Service (USPS) and its impact on magazine media, its ads, revenue and distribution.

February 2, 2012

<u>Media Daily News</u>: Time Inc. is set to close MAGHOUND, dubbed the "Netflix of the magazine industry" early in 2012, the fourth year of its operation. Using MAGHOUND, consumers could buy multiple titles from various publishers each month at discount prices without having to subscribe to any single publication.

<u>Job Mouse</u>: The APWU has learned that the Senate will consider postal legislation in the near future. As currently written, the bill would give the USPS some short-term financial relief, but would also inflict long-term damage to the nation's mail system, said APWU President Cliff Guffey.



PostCom welcomes its newest member: Intelisent, LLC 880 Marshall Phelps Road Windsor, CT 06095 represented by Mark Mandell Founder, President and CEO

<u>Postal Regulatory Commission Meeting Calendar</u> 3/01/2012 - 3/31/2012

Date	Time	Event	Location
03/07/2012	11:00 AM	Monthly Commission Meeting	Commission Hearing Room, 901 New York Ave., NW, Suite 200
03/20/2012	09:30 AM	Hearing in Postal Service's Direct Case - Docket N2012-1	Commission Hearing Room, 901 New York Ave., NW, Suite 200
03/21/2012	09:30 AM	Hearing in Postal Service's Direct Case - Docket N2012-1	Commission Hearing Room, 901 New York Ave., NW, Suite 200
03/22/2012	09:30 AM	Hearing in Postal Service's Direct Case - Docket N2012-1	Commission Hearing Room, 901 New York Ave., NW, Suite 200
03/23/2012	09:30 AM	Hearing in Postal Service's Direct Case - Docket N2012-1	Commission Hearing Room, 901 New York Ave., NW, Suite 200

<u>Wall Street Journal</u>: The federal government arrested 58 people over the past week in a national crackdown on identity theft led by the Internal Revenue Service and the Department of Justice, the tax agency said Tuesday. The collaboration among several federal agencies and local U.S. attorneys' offices targeted people suspected of using false Social Security numbers or other personal information to file fraudulent tax returns.

Cork Independent: An autistic Cork man who cannot read or write but is a gifted artist, has been chosen as one of eight global artists to feature art on a new range of United Nations Postal Administration (UNPA) stamps. Colm Isherwood (25) from Mahon was chosen as the only Irish artist whose work will appear on stamps to celebrate World Autism Day on 2 April.

The Other Russia: Workers at Pochta Rossii, Russia's federal postal service, are complaining of being forced to take part in a pro-government rally in Moscow this weekend, Kasparov.ru reports. On Wednesday, Novaya Gazeta published a statement by a postal worker that included a letter sent to local Pochta Rossii managers. The letter, signed by a representative of the company's personel service, demanded a list from each branch of employees who would be taking part in the February 4 protest at Moscow's Victory Park. The letter then states: "We would like to bring to your attention the fact that worker participation is mandatory!" In addition, another Pochta Rossii worker said on a live broadcast of Russian News Service radio that management had promised to pay each worker 6 thousand rubles (~200 USD) for going to the rally.

Asia News Network: Postal service providers in Brunei must adopt modern technology through sustainable diversification of services in order to meet consumer changes and become relevant in the current century, an expert said. "The most obvious challenge post offices are facing is the challenge from alternative technologies, where consumers today are using other means of communication more than the traditional postal services," said Shailendra Kumar Dwivedi, a lecturer from the Asian Pacific Postal College Bangkok, Thailand.

Wall Street Journal: Facebook Inc. filed for an initial public offering Wednesday that could value the social network between \$75 billion and \$100 billion, putting the eight-year-old company on track to be one of the biggest U.S. stock-market debuts of all time, even as it tries to keep up with sky-high expectations. [EdNote: In the meantme, the nation's first "social network," the U.S. Postal Service, is facing bankruptcy. Perhaps Wall Street will be kinder to Facebook than Congress has been to the Postal Service.]

Financial Times: Portugal's government aims to intensify structural economic reforms and regain access to debt markets next year, even though its bond yields are touching perilously high levels, Vitor Gaspar, finance minister, said on Wednesday. The government is promising to speed up its transposition into Portuguese law of liberalising EU initiatives on energy, **postal services** and the railway industry.

Financial Times: Magyar Posta, the post office, power company Magyar Villamos Muvek and the development bank Magyar Fejlesztesi Bank have clubbed together to buy a licence and compete with the three existing mobile companies – the local affiliates of Deutsche Telekom, Vodafone and Norway's Telenor.

BNC.com: Fans of the online literary magazine the Rumpus recently opened their mailboxes to find a missive from its founder, Stephen Elliott. In one way, this was entirely routine - he sends out emails that mix personal stories with links to new website content almost every day. In another way, it was absolutely new: The mailboxes they opened were not on their computers but near apartment lobbies, doorways and the end of driveways. The Rumpus had sent them a traditional letter, on paper, with a stamp, envelope and signature.

<u>Target Marketing</u>: Many catalogers who had backed away from print—or stopped printing entirely— are now refocusing on their print catalog core. In my consulting business, I'm hearing clients (who would prefer not to be identified) say, "Our catalogs are profitable again," "Catalogs are our main sales driver," and "Catalogs are our first-line prospecting vehicle." What's driving the reinvestment in print catalogs? Here are nine emerging techniques and technologies that are largely responsible, and how you can apply them to your marketing.

Courier, Express, and Postal Observer: Yesterday, in its conference call covering its 4th Quarter 2011 earnings, United Parcel Service (UPS) provided strong evidence that the parcel delivery industry is now more closely tied to

the growth in e-commerce than to the economy in general. In addition, it provided some idea as to how UPS is changing its operations, pricing, labor relations, and marketing to deal with the change in the mix of parcels that its customers want UPS to deliver.

<u>Practical eCommerce</u>: The free-shipping era squeezes smaller merchants. They must match the shipping policies of larger competitors, but they don't receive the high-volume shipping discounts that the larger companies do. Smaller merchants must pay more, in other words, for offering free shipping. There's a company that offers high-volume shipping discounts to low-volume ecommerce merchants.

Wichita Business Journal: The U.S. Bureau of Labor Statistics projects that the United States will add 20.5 million jobs between 2010 and 2020 — a 14.3 percent increase over the decade. The bureau's list of declining jobs also includes several tied to a single employer — the U.S. Postal Service. Despite the nationwide job losses from the Postal Service, postal employees in Wichita could have a better chance of keeping their jobs. A proposed consolidation of mail processing facilities would bring more work to Wichita while cutting jobs elsewhere in the state.

Charlotte City Buzz Examiner: The Postal Service reported a net loss of \$5.1 billion for its 2011 fiscal year and on Tuesday warned that could run out of cash by September of next year if Congress did not offer relief. What we need is a new business model for the post office, much more entrepreneurial. in a rural State, if people would like to walk into a post office and get a letter notarized, they cannot do it today. If people walk into a post office and want to get 10 copies of their letter, they cannot do it today. The United States Congress has said they cannot do that. If somebody walks into a rural post office and wants to get a fishing license or a hunting license or fill out a driver's license, they cannot do that right now. You can't send a fax, pay a bill online...You can't print out stamps with your favorite picture on it? The list of what the post office doesn't do is endless.

New York Times: Pakistan's prime minister, Yousaf Raza Gilani, received a postal package containing anthrax spores four months ago, his spokesman said Wednesday, adding a new dimension to the security threats faced by the country's political and military leadership.

Post & Parcel: Credit-rating agency Standard & Poor has downgraded New Zealand Post's outlook from "stable" to "negative" over concerns about the ongoing decline in mail volumes. The postal service has its credit rating monitored in relation to its \$400m debt facilities, with the rating reviewed on a semi-annual basis. Standard & Poor's Ratings Services affirmed the Post's AA- long-term credit rating and A-1+ short term credit rating, but the Post's outlook was downgraded along with its banking subsidiary Kiwibank The change was based on what the agency saw as a continuing deterioration in New Zealand Post's core business, letters, and the increasing dependence of the company on the competitive parcels segment for growth.

EXECUTE: After asking for a five-month moratorium in December, Congress has been relatively quiet so far on how it hopes to fix the economically troubled U.S. Postal Service. The Senate was expected to begin debating postal reform legislation this week. But Senate Majority Leader Harry Reid decided instead to prioritize the STOCK Act. Meantime, the USPS is losing \$23 million per day.

Post & Parcel: Dutch postal regulatory OPTA has written to ministers suggesting that PostNL face administrative penalties for missing its service quality target in 2010. By law, the universal service provider in the Netherlands must deliver 95% of its standard single-piece overnight domestic mail, as deposited within public postboxes, on the next working day. During 2010, PostNL achieved only a 92.9% rate, but has argued that the low score was the result of "considerable" strike action by trade unions at the end of the year.

Government Executive: An estimate of the latest U.S. Postal Service reform bill to be introduced into the Senate finds that the plan would create a net government loss of \$6.3 billion over 10 years. The Congressional Budget Office released the assessment of the 21st Century Postal Service Act on Jan. 26, as ordered by the Senate Committee on Homeland Security and Governmental Affairs. CBO obtained the loss number by calculating that the bill would result in off-budget savings of \$25.6 billion through 2022 and on-budget costs of \$31.9 billion during the

same time period.

SI''Oh I heard it -- Heard It -- Yes, I heard it through the grapevine. . . . '' II





You might want to look at the Postal Service's "Talking Points" on the bill to get an idea of what's under discussion.

Government Executive: The House on Wednesday passed a bill that would freeze federal worker and lawmaker pay through 2013, in what Democrats and labor union leaders called an overly politicized maneuver. The bill (H.R. 3835), introduced by Rep. Sean Duffy, R-Wis., passed 309 -117 Wednesday. It came to the floor under the House's suspension calendar, which required a two-thirds majority for passage and allowed for a vote without opportunity for public comment or amendment. Congress typically uses the process on non-controversial bills with bipartisan support. The measure extends the salary freeze for members of Congress and civilian federal employees, with no changes or cost of living adjustments available until the end of 2013. [EdNote: The Postal Service is not covered by this proposed pay freeze.]

Welcome to PostCom Radio

A PostCom Postal Podcast

Join PostCom President Gene Del Polito, Grayhair Postal Affairs Vice President Angelo Anagnostopoulis, and Bank of America Postal Strategy Senior Vice President Michael Tate in a discussion of the "Postal Box Street Address" (PBSA) pratfall.

February 1, 2012

PC World: It's been known for some time that there are security issues associated with the increasing use of RFID tags in credit cards, but this past weekend afforded a fresh demonstration of just how easy it is for hackers to take advantage of them.

Congressional Research Service: "The U.S. Postal Service's Financial Condition: Overview and Issues for Congress"

Wall Street Journal: Paperless Post is known for personalized digital invitations, usually sent by email, that create a paper-like experience. Now the company is expanding its offerings of cards pegged to Valentine's Day, the second-most important greeting-card occasion of the year, after Christmas. An estimated 150 million paper Valentine's Day cards were bought last year, according to the Greeting Card Association. Delivered by email or through social network sites like Facebook and Twitter, Paperless Post's electronic invitations appear on the screen as an image of a paper envelope. Typeface can look as if it is letter-pressed or engraved. The card—usually a digital image of a handcrafted paper card made by Paperless Post designers—pops out of the envelope with adornments that may include a fancy lining and personally selected calligraphy.

Parcel2Go: The UK's largest online parcel delivery specialist has said it is unsurprised by the results of a recent study highlighting the growing importance of online delivery services. A worldwide survey of 93 members of the Universal Postal Union showed that 70 per cent believe postal e-services are strategically important for the future. The research identified 55 different types of digital services which are now available, including track and trace and online bill payments.

InfoTech: An industry first, the AccuLazr(TM) AL5010 laser barcode scanner from Accu-Sort Systems, Inc. now offers user access via the iPhone and iPad. A smartphone or tablet PC can now be used to remotely monitor and diagnose warehouse operations by accessing a web page hosted on the laser barcode scanner. A cable connection to the scanner is no longer required in order to monitor the performance of the system.

PR-Inside: Address data experts at Postcode Anywhere have unveiled a new international address auto-complete application for Sage CRM. The free-to-download extension uses rapid postal code look-up, combined with auto-suggest technology which completes address fields as the user types - making address data entry "faster, easier and more accurate." Postcode Anywhere makes it possible to enter full and validated UK or international contact addresses up to 80% faster in Sage CRM. Multiple postal address formats in international addresses.

The Press Information Bureau: Shri Kapil Sibal, Minister of Communications and Information Technology inaugurated a Round Table on National Postal Policy here today. Speaking on the occasion Shri Sibal said that in view of IT revolution India Post has to embrace the changes and to be prepared for challenges of tomorrow. Shri Sachin Pilot Minister of State for Communications and Information Technology said that Department of Posts has to revisit and reinvent itself in the light of rapidly changing scenario. Though Department of Posts is already engaged in plethora of activities, it may explore other revenue streams.

CIOL: India Post under the ministry of communications and IT is expected to come up with pan-India rollout of mobile money order service. The pilot program for this project is currently under way in Bihar and Punjab. Manjula Prasher, secretary (Posts), chairman of the postal services Board and director general, India Post, on the sidelines of National Postal Policy 2012 roundtable in New Delhi informed that they chose two states—Bihar and Punjab—where a lot of immigrant workers remit money to their states.

The Hindu Business Line: The Postal Department has applied to the Reserve Bank of India for a banking licence. Aimed at modernising postal services, the policy is expected to make the department adopt a more financially viable revenue model. It would also provide affordable services at all points in the country as part of its Universal Service Obligation, the Minister said.

<u>eCommerceBytes</u>: Postal regulators have finalized a new set of rules governing the procedure for closing post offices, seeking to streamline the review process as the U.S. Postal Service looks ahead to the potential closure of thousands of locations. The agency agreed to shelve some of the more controversial provisions that had drawn protests from the Postal Service and direct mailer Valpak, such as a requirement to provide notice to affected mailing customers in the community ahead of the proposal and final determination to close a site, and a provision that would have automatically triggered a suspension of the closing process if the move was opposed by a timely appeal. In both cases, the Postal Service and Valpak argued that the PRC was exceeding its authority with the proposed rulemaking, and the agency agreed to table the measures indefinitely.

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

- As previously announced the EU-Commission adopted four decisions concerning state aid proceedings against postal operators in Europe. 'In the decisions concerning the Deutsche Post and the Belgian bpost we have concluded that part of the aid received is incompatible with the internal market and ordered its recovery', said EUCommissioner Joaquin Almunia. In contrast the aid granted to French La Poste and Greek post ELTA were approved by the EU-Commission.
- The EU-Commission found that the pension subsidies granted since 1995 on account of the pension costs of civil servants have conferred an economic advantage to Deutsche Post.
- Belgian boost has to repay 417m to the state. The EU-Commission found that the Belgian post was overcompensated by subsidies for the delivery of newspapers and magazines amounting to 5.2bn euros between 1992 and 2010.
- The EU-Commission approved subsidies granted to French La Poste despite its market share of over 99%
- China's express and postal industry recorded significant growth last year. While letter mail volume stagnated at 7.38 billion (-0.3%) the express services partially recorded exorbitant growth

rates.

InPost, a subsidiary of Polish mail service provider Integer.pl (revenue 2010: 46.1m euros) has bypassed Poczta Polska's reserved area since November 2010 by adding metal plates to letters weighing less than 50 grammes, to increase the weight of the mail items.

Last week postal minister Ed Davey confirmed to the parliament that Royal Mail and Post Office Ltd. signed a contract providing certainty that all products of Royal Mail will be available in the post offices for the next ten years. The agreement is considered a prerequisite for guaranteeing Post Office Ltd.'s financial stability.

In an interview with Financial Times® (30.01) Nick Wells, chief executive of TNT Post UK, announced to operate with TNT mailmen in the UK. A corresponding test in Liverpool has been positive and TNT now plans to launch this service in other urban centres across the UK.

PostNL faces trouble with its subcontractors. A spokesman of the drivers association De Stichting Subcontractors Vervoersbedrijven announced to seek a judicial review of the labour conditions of the around 1.800 subcontractors in the mail and parcel divisions. According to the association the van drivers are only bogus self-employed.

A privatisation of Russia Post isn't off the table yet. Boston Consulting Group (BCG) recommended to privatise Russia Post. The consultants suggested a partial privatisation which could yield up to one billion euros. This cash injection should be used to fund a restructuring programme according to the consultancy.

Despite a decrease in profit Singapore Post (SingPost) probably remained the worlds most profitable postal company in the third quarter of the current business year.

FedEx apparently plans to take over one of Poland's leading CEP services. Dziennik Gazeta Prawna® (28.01) reported that the integrator is poised to pay 100m zloty, around 23.5m euros, for the courier service Opek.

Gati, one of India's large express service providers (revenue 2010/2011: 185m euros) is in deeper financial troubles than originally thought.

DPD and Hermes are pooling their resources in Russia.

Activists in the USA devoted increased attention to FedEx. Several hundred people protested in front of a FedEx facility in Los Angeles and demanded that the company should really pay its corporate tax rate of 35%. The protests were triggered by a report of the left-leaning non profit organisation Citizens for Tax Justice according to which twelve major U.S. corporations - FedEx among them - not only avoided taxes completely, but received tax refunds due to the current law in the USA

European retail companies face problems to establish their online crossborder business.

CTT Expresso, a subsidiary of the Portuguese post, is on the course for growth.

The consumer advice centre in Schleswig-Holstein accused Deutsche Post of selling the addresses of its customers.

TNT Post Germany plans to buy into North German Citipost.

The South African Post Office (SAPO) has to look for a new CEO. Last week a spokeswoman confirmed that SAPO and its former CEO Motshoanetsi Lefoka reached a 'mutually agreed separation'. Lefoka has been on 'special leave' since October 2011 due to an internal investigation over irregular lease contracts.



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

The Botswana Gazette: Botswana Post intends introducing the home postal boxes and deliveries. The move follows a study conducted by the Universal Postal Union (UPU), titled 'Addressing in Botswana', launched by the Ministry of Transport and Communications (MTC) in September 2009.

Hellmail: Despite Lithuania not being too far from the Nordic regions, its weather is surpisingly moderate. No real need for tennis rackets nailed to shoes here. That said, given an alternative, few in Lithuania would really want to trek to the local post box just to post a letter unless part of some exercise regime or to give the dog a taste of freedom. With much of the world now online, and Hybrid Mail gaining in popularity, Lithuanian Post is now offering its own version of Hybrid to anyone wishing to post a traditional paper letter - from their computer desktop.

Hellmail: Magazine publishers have given top marks for customer satisfaction to mailing firms accredited by the industry's quality standards scheme. Almost 90 per cent of publishers (89.6%) said they would definitely use a distribution company accredited by the Mail Distribution Accreditation Scheme (MDAS) in future, the 2011 MDAS Customer Satisfaction Survey revealed. The figure is the highest customer satisfaction rating registered since the annual study was first conducted in 2008, and marks a year-on-year increase of 8.9% from the 2010 figure of 82.4%.

Business2Community: "USPS Tries To Scare Boomers Away From Online Banking"

<u>PI World</u>: Congressman Brian Higgins (D-NY) recently held a press conference at Zenger Group, a printing and direct mail service provider, to oppose the scheduled closure of the Postal Service William Street mail processing facility here. The facility is considered to be the postal distribution gateway between the United States and Toronto/southern Ontario, as well as a major radiating point of print and mail services in Western New York.

Postalnews Blog: According to an article in Logistics Management, the "star" of United Parcel Service's impressive fourth quarter performance was its Sure Post product, which uses the US Postal Service to actually deliver B2C parcels

<u>Direct Marketing News</u>: The U.S. Postal Service (USPS) is, for the second year, planning a summertime promotion for direct mailers that use two-dimensional barcodes, USPS VP of domestic products Gary Reblin told Direct Marketing News on Jan. 31. Reblin said last year's barcode promotion — which gave mailers a 3% discount on qualifying Standard and First-Class mail letters, flats and cards — was so successful that the USPS's board of governors urged that another promotional program be developed for this year. The details of this year's promotion will be put before the USPS's board of governors on Feb. 8 for its approval, Reblin said. He declined to discuss specifics, as he said doing so would be premature prior to the board's approval. However, he did say this year's mobile barcode discount promotion will have some different features from last year's. "We've studied best practices; we're going to take what we learned from the last one and be more specific."

PRNewswire: Enroute Systems Corporation (www.enroutecorp.com) has announced the launch of new last mile postal service delivery service options for its ShipIt! Portal supply chain management software. In addition to existing support of multiple global and regional carrier parcel delivery services, Enroute now offers cost-effective delivery capabilities to businesses and residences in over 220 countries through their partnership with DHL Global Mail. Far different from other shipment execution solutions, ShipIt! Portal enables custom business rules that can recommend or completely automate the shipping processes for retailers, distributors, and manufacturers. Once the appropriate carrier or service is selected, Enroute's software creates the necessary label, documents and manifest, while parcel tracking information is then accessible from any web browser. Detailed analytics enable rapid evaluation of service selection, centered on factors such as cost, speed, and efficiency. A typical Enroute customer saves up to 30% of their shipping costs and regains total control of how they ship.

Next week, Postmaster General Patrick Donahoe will host two webinars for managed account customers regarding the Postal Service's proposed changes to service standards and the mail processing network. The attachment to this message contains the invitation that will be sent to managed account customers through the Postal Service's Business Service Network, and instructions for joining the webinars. The PowerPoint presentation used will be posted on RIBBS after the first webinar on February 7. Because there are limited phone lines available to

participants in these webinars, Industry Engagement and Outreach (IEO) will schedule and conduct a separate webinar -- using the same PowerPoint deck and covering the same topics -- for Industry Association Executives, the PCC Advisory Committee, and MTAC leadership. IEO will contact you with information about the webinar within the next few days.