

Association for Postal Commerce

"Representing those who use or support the use of mail for Business Communication and Commerce"

"You will be able to enjoy only those postal rights you believe are worth defending."

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Postal News for April 2013

April 30, 2013

Post & Parcel: The new chief executive of Pitney Bowes warned today that there were "no sacred cows" at the underperforming mail technology and services giant, as he looks to cut struggling parts of the company. Marc Lautenbach said he was carrying out a thorough review of the firm after taking charge, and is now looking to reposition its portfolio of services, potentially exiting business areas that do not meet his requirements for shareholder returns. Speaking to analysts today as the company revealed gloomy first quarter results in which revenues were down 4% year-on-year and earnings per share slumped by 58%, Lautenbach said he would be creating a more "disciplined" culture at Pitney Bowes, so that it "moves forward with a greater sense of urgency". "The only sacred cows in this company is the client and the shareholder," he said. "There is no sacred cow in the portfolio – in order for businesses to remain part of our portfolio, they need to be strategically coherent, be a leader in the market or regenerate a return that is accretive to shareholders."

BGR: Many subscribers will be in for a surprise when the latest issue of Forbes Magazine arrives on doorsteps and newsstands. Microsoft has embedded a Wi-Fi router in select copies of the May 6th print edition of the magazine, which gives users 15 days of free Wi-Fi through T-Mobile. The free Wi-Fi is part of Microsoft's latest campaign to promote its subscription-based Office 365 service. The router lasts for three hours before it must be recharged using the included microUSB cable. Once activated, up to five devices at a time can be connected to the hotspot until the free service expires.

IkhwanWeb: Canada's Union of Postal Workers (CUPW) got the message across last week that cutting off mail delivery to Gaza is another abusive measure intended to heighten the suffering and hardship of the besieged residents of the occupied strip.

<u>Times Union</u>: U.S. Rep. Peter DeFazio and a group of Oregon state lawmakers are pushing for federal legislation they say would avoid the need for postal service cuts. DeFazio joined legislators and postal workers in a small rally on the steps of the state Capitol in Salem on Tuesday. DeFazio, a Democrat representing southwest Oregon, is trying to collect signatures on a petition to the White House. The petition asks whether the Obama administration supports proposed legislation that would prohibit certain cuts and eliminate a requirement for the U.S. Postal Service to prefund retirees' health care.

Press Release: In a move to comply with the Patient Protection and Affordable Care Act (PPACA), the U.S. Postal Service today awarded UnitedHealthcare a contract to support a Postal Service health plan for all eligible non-career employees. The contract period begins April 30, 2013 and provides coverage for years 2014 through 2016. Three additional terms of two years each may be negotiated for a total possible contract life of over

nine (9) years. The estimated contract value is \$239 million annually assuming 35,000 participants, but may vary significantly depending on actual non-career employee plan participation.

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It's hard to soar like an eagle when you're milked like a cow.

Seeking Alpha: "Pitney Bowes' CEO Discusses Q1 2013 Results - Earnings Call Transcript"

EIN Newsdesk: Stamps.com, the leading provider of USPS postage online and shipping software to over 450,000 customers, today announced its new integration with ChannelAdvisor, a cloud-based e-commerce services company that allows online retailers to manage their sales more efficiently. The integration gives ChannelAdvisor customers powerful new tools to streamline their order fulfillment process. With the Stamps.com software, customers can automatically import orders and print shipping labels for all USPS mail classes, both domestic and international. The software posts order status details such as the USPS tracking number, shipping date, and mail class to the ChannelAdvisor customer's account. Additional Stamps.com features now available to ChannelAdvisor customers include postage rate discounts, hidden postage, thermal printer support, automated customs forms, return shipping labels, and more.

4-Traders: The Francotyp-Postalia Holding AG, Birkenwerder, has placed Group financing on a secure footing for the next 3.5 years with a renewal option for another 1.5 years. Financing contracts were signed today with a consortium of banks led by Deutsche Postbank AG as Mandated Lead Arranger and Agent and with Commerzbank AG as Mandated Lead Arranger and Collateral Security Agent. This means that liabilities in connection with the original financing originally agreed until the end of February 2014 in an amount of roughly EUR 36 million will be redeemed ahead of schedule.

PRNewswire: eMoney Advisor ("eMoney"), the only wealth-planning system for financial advisors that offers transparency, security, mobile access and superior organization for everything that impacts their clients' financial lives, has announced a strategic partnership with Zumbox to offer Digital Postal Mail to clients whose advisors use the eMoney platform.

The American Reporter: The U.S. Postal Service is in a crisis. How many times have you heard that in the past year? But the crisis is not due to people using email, instead of writing letters. It's not due to people paying their bills online, instead putting a check in the mail. And it's not because the Postal Service is an obsolete relic whose time has passed. It is a crisis that has been purely manufactured by Congress, and if Congress has its way, the Postal Service will not survive. Aside from my Senator, Bernie Sanders, few in Congress put up much of a fight to protect the Postal Service from cuts that will cripple and ultimately kill it. The Postal Service last generated a profit in 2006. It hasn't since then. The lingering effects of the recession, which has reduced mail volume, have played a part. And yes, technology has played a part, too. But the biggest reason why the Postal Service has not turned a profit is the Postal Accountability and Enhancement Act.

Azerbaijan Business Center: Azerbaijani-Mail (Azerpoçt Ltd) is preparing to begin rebranding within then framework of technical assistance of Financial Services Development Project provided by the World Bank at the expense of a grant from the State Secretariat for Economic Affairs (SECO). Informed sources say that there is a short list of candidates for the rebranding and advertising campaign on a new brand of the postal operator. "The tender for an international audit of Azerbaijan's postal operator and training workshops for its staff continues. It will take several months for Azerpoçt to sum up the tender results, coordinate them with the WB and conduct contract

negotiations. In this regard, the re-branding consultant can begin work the second half of 2013," the source said. The work is financed by a SECO grant of approx. \$550,000. According to plans, completion of all these works, except workshops, was scheduled for the first half of 2013, and workshops should have lasted during entire 2013. Now terms of works can change.

Straits Times: Singpost is replacing its current mail sorting machines with a new system that can process mail items faster. The new machines are part of a \$45million investment to upgrade its mail sorting infrastructure. This will reduce the time needed to sort mail, and allow postmen to focus more on delivering mail accurately and quickly, Singpost said in a press release on Tuesday. The new machines can sort outgoing international mail according to countries and forward redirected mail to the new address, two functions that are currently done manually and are labour-intensive. They can also read QR codes to access tracking information and details.

Reuters: Dutch delivery group TNT Express, the target of a failed \$7 billion takeover by United Parcel Service (UPS.N), said the impact of cost-cutting measures would show up in the second half. The collapse of the UPS bid forced TNT Express to come up with job cuts, divestments and other measures last month to turn around its performance as a standalone delivery firm. It said it would cut 4,000 jobs, or about 6 percent of the workforce, over the next three years and create cost savings of 220 million euros a year by 2015 by improving efficiency. It is also looking for a buyer for its troubled Brazilian unit, where it said it expects to reduce losses further, after agreeing to sell its Chinese domestic business last month.

The Nation: Thailand Post Co expects Bt1.2 billion profit this year, thanks to booming e-commerce that has boosted growth of its logistics and postal-service businesses. E-commerce by small and medium-sized enterprises is growing very quickly, which is driving Thailand Post's postal and logistics revenue. Last year it delivered 82 million pieces to users and is forecasting about 5-per-cent growth this year, said Thailand Post president Anusara Chittmittrapap.

Mey Congress! Let's stop the blithering and get on with postal reform

Yahoo! U.K. Finance: There is no doubt that an IPO is the Government's favoured approach Mr Fallon said as much to Parliament last week and that it intends to move with lightning speed. The strategy will be to set the terms of the debate so that privatisation is seen as inevitable, emasculating the campaign against it. Mr Fallon is promising that a privatised mail service would not only keep a six-days-a-week pattern at affordable prices, but actually improve service, delivering letters more quickly. Cash raised from privatisation would make the service more efficient. Key to the strategy will be neutralising opposition from the Communication Workers Union. They will still make plenty of noise, but one senior industry figure advises: "Watch their feet, not their mouths". Under the Postal Services Act, the Government is obliged to pass on 10pc of equity to Royal Mail staff; that could concentrate a few minds if it comes to a ballot on industrial action. If the Treasury wants to box clever, it could increase that amount above 10pc and make privatisation a truly attractive prospect to the 170,000-plus workers. Calls to man the barricades might then fall on deaf ears.

Handy Shipping Guide: The news that Deutsche Post AG is to increase pay by 3.1% on August 1, 2013, followed by a further 2.6% on October 1, 2014 for the approximately 130,000 employees who are covered by a collective-bargaining agreement has met with a mixed reaction from unions. Whilst negotiations conducted with the German services union ver.di (Vereinte Dienstleistungsgewerkschaft or United Services union) was greeted as a reasonable result there are still concerns over the labour situation for many staff employed beyond the home country's borders.

Orange News: The Government is to start looking in the next few days for a syndicate of banks to advise on a possible flotation of the Royal Mail. Business Minister Michael Fallon announced the move as he voiced hopes that global advisers on a sell-off will be appointed at the end of May. The advisers will help by handling the sale of shares, if privatisation goes ahead. The institutions take a fee from the Government in exchange for setting up an effective privatisation. Mr Fallon said ministers did not want to be tied to a specific type of sale or deadline for the sell-off, adding that the Government was attracted to an Initial Public Offering (IPO) as the preferred option.

Bloomberg: Back in Soviet days, trading for a profit was considered a crime. If government prosecutors have their way in the case of opposition activist Alexei Navalny, Russia -- purportedly a market economy -- could be imprisoning someone for such "speculation" again. The first of two criminal cases against Navalny, whose campaigning against official corruption has made him a nemesis of President Vladimir Putin, entered the trial stage in the city of Kirov last week. Prosecutors have charged Navalny and a businessman named Pyotr Ofitserov with stealing 16 million rubles (\$530,000) worth of lumber from a now-bankrupt state-owned company called Kirovles in 2009. Navalny was then working as an unpaid adviser to the Kirov governor with a brief to root out corruption. The felony charge carries a maximum prison sentence of 10 years. Navalny and his brother Oleg, a postal official, face similar allegations in another case that has not yet gone to trial. A cargo-delivery company set up by the Navalnys received 55 million rubles (\$1.8 million) for services rendered to the Russian branch of the French cosmetics company Yves Rocher, but outsourced the work to a different operator for 31 million rubles (\$1 million). Investigators say that the profit was made illegally, because Oleg Navalny used his job with the Russian postal service to drum up business for a firm that had no resources to do what it promised.

The Telegraph: A privatised Royal Mail will deliver the post more quickly, Business minister Michael Fallon has suggested. Postal services minister Michael Fallon made the suggestion in a speech setting out the Coalition's plans to privatise Royal Mail in the next 12 months. Mr Fallon repeated that the Government has still not decided whether to float Royal Mail on the London Stock Market, or sell a stake in it to a rival firm. However he announced that the investment banks which will run any flotation of Royal Mail will be appointed by the end of next month. Mr Fallon told an audience at the Policy Exchange that privatising Britain's national postal operator was "the way to put Royal Mail onto a long-term sustainable basis".

The Guardian: Last week marked the formal announcement by Michael Fallon, the minister for business and enterprise, that the Royal Mail will be sold off by next April, setting the ball rolling on what is set to be the biggest privatisation for over 20 years. This follows the deregulation of postal services in 2006, which allowed companies like TNT Post to win contracts to deliver mail from the supplier all the way to the letterbox on behalf of private and public sector organisations. TNT Post, who I worked for over the course of a month, are in a pilot phase in West and Central London this year, providing competition to deliver letters directly to the doorstep for the first time in Royal Mail's 360-year history. If successful, TNT will expand its operation across other parts of the country in the next five years, aiming to employ up to 20,000 postal workers.

April 29, 2013

PRNewswire: The Board of Governors of the U.S. Postal Service will meet May 10 in open session at Postal Service headquarters, 475 L' Enfant Plaza, SW, Washington, DC. The public is welcome to observe the meeting beginning at 8:30 a.m. in the Ben Franklin Room on the 11th floor. The Board is expected to discuss the following items:

- Call to order and remarks of the Chairman of the Board
- Remarks of the Postmaster General and CEO
- Approval of minutes of previous meetings
- Committee reports
- Quarterly report on financial performance
- Quarterly service performance report
- Tentative agenda for the June 18 meeting
- Adjourn

Open session meetings of the Board of Governors are available on live audio webcasts at http://about.usps.com/news/electronic-press-kits/bog/welcome.htm. Three hours after the conclusion of the open session meeting, a recorded audio file will be available for listening. In compliance with Section 508 of the Rehabilitation Act, the audio webcast will be open-captioned.

NewStatesman: Think that Royal Mail is bad? Wait until you see its privatised successors.

Post & Parcel: UK parcel carrier City Link has been sold for a token one pound sterling to a private equity investor, after five years of losses.



<u>Pushing the Envelope</u>: In the late 1950s, McDonald's executives discovered that being in the real estate business was more profitable than focusing solely on the food business. McDonald's founder Ray Kroc had a business partner, Harry J. Sonneborn, who devised a plan to purchase or lease the land on which nearly all

McDonald's restaurants would be located. He then charged franchisees a monthly rental fee for the land, or a percentage of their sales, whichever was greater. The rest, as they say, is entrepreneurial history. With 33,000 facilities on more than 300 million square feet of land, the U.S Postal Service operates more retail outlets than McDonald's. The Postal Service owns and leases properties in high-traffic areas, often in a city's most desirable location. Is there an opportunity for the Postal Service to lease or sublease its vast real estate holdings to other businesses to generate revenue and improve cash flow? Could the Postal Service sell its facilities in desirable locations and lease back a portion of the facility as needed? For example, the Postal Service partnered in 2007 with a development company to renovate and lease out part of the main Post Office in New York City (James A. Farley building) for retail and other purposes, including a new Amtrak train station and hotel space. While the redevelopment has hit construction delays, it remains a promising model for future plans. These kinds of opportunities are not necessarily restricted to post offices in large cities. Smaller facilities are likely to be attractive to third parties as well. One example is the Redondo Beach Galleria Station in Redondo CA, a very small retail unit in a shopping mall, currently on the market to be subleased. Do you think the Postal Service should sell or lease its facilities in prime real-estate locations? Should it have any restrictions on which facilities it can sell or lease or what types of operations can lease a postal facility? Should there be restrictions on how the Postal Service uses the revenues raised from such a sale or lease? Share your thoughts.

Post & Parcel: The issue of under-paid postage is costing European postal operators a combined \$1bn a year, according to research from UK software firm Pinesoft.

Rep. Rosa DeLauro (CT-3): Congresswoman Rosa DeLauro (CT-3) released the following statement on United States Postal Service (USPS)'s official notice that they will close the Wallingford Processing Center in September. The closure is expected to cost over 360 employees their job. The closure was originally scheduled for February 2014. "I am outraged at USPS's decision to consolidate one the region's newest mail processing centers ahead of schedule. Our postal workers do an extraordinary service for the community and they should be treated with the respect and gratitude they have earned. That includes taking every opportunity to solve USPS' financial problems without destroying these good middle class jobs." "USPS has unilaterally sped up with closing process, ignoring the many members of Congress who have tried to engage with them. This will cost millions of Americans across the country their job, including many veterans."

<u>Washington Times</u>: The Postal Service has a monopoly over letter delivery (with a limited exemption for urgent, courier-delivered letters costing more than \$3). No matter how often the Postal Service slashes its standards, it's still a federal crime to provide better mail service than the government. While the Justice Department has unlimited resources to pursue Mr. Armstrong, there is no way for average Americans to recoup all the losses they have suffered from delayed mail, lost letters and damaged packages thanks to the U.S. Postal Service.

Financial Times: Police should open counters in supermarkets and set up "Tardis" boxes for the public to reach officers via video link, according to research into how forces can save money by closing stations as budget cuts bite. The idea comes as the Metropolitan Police and more than 10 other forces are already in talks with the Post Office about opening police front counters in high street branches. City Hall is expected to start a trial of the Post Office scheme this summer, which is likely to involve postal staff being trained to do administrative work on behalf of police, such as taking down lost property reports and checking driving documents after offences.

Warsaw Business Journal: InPost, a subsidiary of private postal operator Integer.pl, plans to install up to 2,000 lockers for delivery of internet purchases in the United Kingdom this year. The company will spend €45 million on the investment, but hopes that in three years' time, 25 percent of its profit will come from the UK.

Daily Mail: Every postal worker in Britain will be given around £1,500 of shares in Royal Mail when it floats on the stock market, the Business Minister will say today. It will be the largest employee share scheme for 25 years with around 140,000 workers from postmen to local delivery office managers expected to scoop a windfall.

Korea IT Times: LG CNS, an LG Group company specializing in information technology services including consulting and system integration, said on April 28 that it has won a project to provide postal information management solution "Viva Post" to Pos Malaysia Berhad, Malaysia's postal services company. According to LG CNS, the solution allows tracking and controlling of mail and packages electronically. The solution will be provided as part of a 3.5-billion-won project for Pos Malaysia to be completed by November next year.

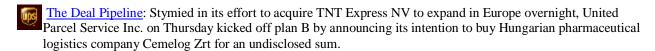
April 28, 2013

mobile workforce to achieve higher productivity levels, be it in the field, at the post offices or for checking orders. With this hand-held mobile computer, our mobile workforce is able to perform rapid scanning of packages, and keep track of deliveries accurately. The compact form factor combined with a clear visual display and extended battery life ultimately boost employee productivity. Due to the multi function capabilities of the MC3000 series and the mobility applications, many of the earlier manual processes have now been integrated into a single seamless automated process, saving our workers a lot of effort and time. Even small details such as the rotating head configuration of the laser reader is small, lightweight and durable, making it ideal to use and further complements PosLaju's track and trace application, which requires accurate data capture and high performance computing.

<u>Washington Post</u>: The FBI believes it has the right man this time in the tangled case of the ricin-laced letters mailed to President Obama and two other public officials. In the early-morning darkness Saturday, four days after authorities dropped charges against an Elvis impersonator in Mississippi, FBI agents arrested a man the impersonator had been feuding with — a former radio announcer and onetime candidate for the state legislature who recently was charged with child molestation.

April 27, 2013

China.org: Major international parcel companies, including TNT, FedEx, UPS and DHL and their Chinese counterparts such as ZJS Express and SF-Express gathered in Beijing Wednesday to attend a seminar as they consider a move to raise prices as the industry's regulatory body the Postal Universal Service Fund prepares to impose surcharges, the China Times reported.



Bloomberg Businessweek: United Parcel Service Inc. (UPS) and the Teamsters union agreed to a new five-year contract covering 250,000 employees, erasing the risk that some business might be lost through just the threat of a strike. The accord includes "substantial" pay raises, higher wages for new part-time employees and the creation of 2,000 more full-time jobs from the ranks of part-timers, the union said yesterday. The agreement will go to a ratification vote among rank-and-file drivers, package sorters and clerks before taking effect on Aug. 1.

April 26, 2013

National Association of Postmasters of the U.S.: Congress is almost 5 months deep into its legislation session, yet the House Oversight and Government Reform Committee, and the Senate Homeland Security and Governmental Affairs have yet to "mark-up" a postal relief bill. Senator Bernie Sanders (I-VT) and Representative Peter DeFazio (D-OR) have introduced legislation. The Sanders bill carries 20 cosponsors, and the DeFazio bill carries 127 cosponsors, including 3 Republicans; however, the legislation effort is not being embraced by the bipartisanship leadership of the respective committees.

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

- Join the Association for Postal Commerce for a FREE webinar on Wednesday, May 1, 2013 at 1:00 Eastern as Arlene Zisow, USPS Business Mail Support Analyst, and Steven Krejcik, Director of Strategic Technical Business Development for Pitney Bowes Presort Services, Inc. describe how to navigate the Microstrategy reports. You will get a good understanding of the report data elements, and how the reports can be used to improve mail and data quality.
- Postal Vision 2020 3.0 was held earlier this week in Washington, DC. The third annual Postal Vision 2020 conference, it focused on the challenges faced for a 21st century Postal Service in a rapidly evolving technology environment. PostCom provides highlights from the conference in this week's and next week's issues of the *PostCom Bulletin*.
- Vint Cerf, vice president and chief internet evangelist for Google, told PostalVision 2020 attendees that although we need to be "blunt and brutal in our analysis of the problems," he considers physical delivery to be fundamental to a Democratic society. "We can not afford not to have that capability," he said, noting that it is a national infrastructure like telecommunications, schools, roads, water, etc. "It is incumbent on us to figure out how we retain this infrastructure."
- Randy Miskanic, USPS Vice President of Secure Digital Solutions (SDS), told the PV2020 group that the
 USPS and industry need to look at how mail will be relevant to the next generation, and how to
 complement physical products and services by moving into the digital space as well as what the USPS can
 do in the entire digital space.
- The Honorable David Walker, founder of the Comeback America initiative and former U.S. Comptroller General, talked to the PV2020 crowd about transforming government including the Postal Service to meet 21st century challenges. "The federal government has grown too big, promised too much, and needs to fundamentally restructure," Walker said, noting that it has "no plan, no budget, and no performance metrics." "There are significant parallels between the Postal Service and the government," he said, noting that in many cases the Postal Service is a "microcosm of the federal government."
- The Honorable Robert Taub, Vice Chairman of the Postal Regulatory Commission (PRC), led a panel at the PV2020 conference which included the Honorable Lee Fritschler, George Mason University; Fred Rolando, President of the National Association of Letter Carriers (NALC); and Nye Stevens, formerly from Congressional Research Services. When asked if the USPS is "past the point of return," the panel members said no.
- David Williams, USPS Inspector General (IG), told the PV2020 audience that this is a "period of amazing change," and said we need to figure out how to respond to that in terms of our postal system and businesses. Williams said the union of smart devices and social networking make the need to physically transport lots of messages undesirable. Technology and print are rediscovering each other, he said, in relationships such as smart devices and QR codes, geofencing, hybrid and reverse hybrid.
- Senator Tom Carper, Chairman of the Senate Homeland Security and Governmental Affairs Committee, told the PV2020 group that the Senate is working to develop "some agreement on common principles on which postal legislation could be drawn," and hopes to have something soon. He said he would like to do it as a bipartisan bill and have the House develop its own bill, then be able to introduce it next month and hold hearings next month. He said hearings are needed so that others don't stop the progress of the legislation by saying that correct procedure was not followed in that it is a different bill and therefore needs hearing. He said that he would like to have a bill on the President's desk by the July 4 recess, or if that does not happen, by the August recess.
- The USPS' Office of the Inspector General (OIG) and InfoTrends by the end of May will publish a study titled "What America Wants and Needs from the U.S. Postal Service," InfoTrends associate director Matt Swain told the PV2020 audience.
- Over the course of the two-day conference, lots of ideas and thoughts on possible postal-digital initiatives were tossed out in formal presentations as well as in informal discussions. Here are just some of the thoughts generated in the PostalVision 2020 "Idea Lab."At Wednesday's session of PostalVision 2020, NALC President Fredric Rolando explained in persuasive -- and un-rebutted -- terms why going to five-day mail delivery is neither warranted nor wise, and would in fact be destructive. The factor accounting for almost all of the Postal Service's red ink, Rolando told the audience at the L'Enfant Plaza Hotel in

- Washington D.C., is the congressional mandate to pre-fund future retiree health benefits for the next 75 years and do so within a decade, a requirement faced by no other agency or company in America.
- The U.S. Postal Service has updated is five-year plan to reflect the current business environment and political pressures it is facing. The plan is designed to communicate to key stakeholders the vital role that the USPS plays in the U.S. economy. The USPS said that the plan provides "... important solutions required to return the Postal Service to financial and operational viability and self-sufficiency. It believes that all elements of the plan must be implemented to provide long-term financial stability.
- According to postal commenter, Dead Tree Edition, "Mailers should beware of postal officials bearing gifts. The U.S. Postal Service announced a few days ago a "Technology Credit" of up to \$5,000 for mailers who use Full-Service Intelligent Mail Barcodes. But if the Postal Service gets its way, the one-time credit would result in a permanent and ultimately far more expensive price increase for senders of First Class, Standard, Periodicals, and Bound Printed Matter mail. And it would set a precedent for similar efforts to circumvent the inflation-based price cap on most postal rates."
- The postal-digital discussions continued this week in a separate meeting run by the IDEAlliance which followed on after Postal Vision 2020 (see article above). The IDEAlliance on April 26, 2013, held its first "Postal-Digital Summit." Where the topics and discussions at PostalVision 2020 largely addressed policy issues as well as innovations, the IDEAlliance sessions delved deeper into the nuts and bolts of existing and future digital technical specifications used by the USPS and industry.
- President nominates former Northrup Grumman exec as USPS Governor. USPS delays FCM tracer market test. PMG addresses full-service IMb In letter to industry. DeFazio and Sanders introduce postal bills. USPS renews Fedex air network contract. Fedex launches "Fedex Delivery Manager." Armstrong faces suit from DOJ. Mail or email? What's a marketer to do? NALC Members discuss future of Postal Service. Letter carriers to launch food drive. Direct mail is dead, long live direct mail! Paperless Post defies digital strategy with crane. PRC approves changes to International Commercial Plus pricing. UPS announces earnings.
- Updates from the Federal Register that affect the mailing industry.
- Updates from the Domestic Mail Manual.
- An update from the USPS Office of Inspector General.
- Postal previews.

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



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Knoxville News: FedEx CEO Frederick W. Smith told a Cato Institute audience Thursday that the U.S. must increase energy production in the western hemisphere, get more energy-efficient and diversify its energy resources. In a reprise of his remarks as co-chairman of the Energy Security Leadership Council, Smith told the libertarian-based group about the monopolistic control the OPEC cartel has had and price Americans have paid in protecting oil resources, chiefly in the Middle East. "Oil has become a geopolitical weapon of choice, both for U.S. interests and against U.S. interests," Smith said in response to an audience member's question about the use of economic sanctions. "So what I would like to do is for the U.S. to end up being more economically secure and not fight foreign wars over a commodity," he said.

At the Postal Regulatory Commission: R2013-6 Corrections to Notice of Market-Dominant Price Adjustment (Technology Credit Promotion) http://www.prc.gov/docs/86/86869/Notice.of.Errata.pdf | http://www.prc.gov/docs/86/86869/PriceCapAnalysis042613.xls

The United States Postal Service hereby corrects the following errors in the Notice of Market-Dominant Price Adjustment and related attachment that it filed on April 16, 2013, in connection with the Technology Credit Promotion:

- In the PriceCapAnalysis.xls workbook, the figures in cell D4 of the "Additional Cap per class" tab and cell B19 of the "Tech Credits breakdown" tab were wrong. Both cells have been corrected in the attached workbook, PriceCapAnalysis042613.xls, leading to changes throughout the workbook.
- As a result of the corrections described above, the Technology Credit Pricing Authority table on page 6 of the Notice should be replaced with the following table: 1 Technology Credit Pricing Authority (1) First-Class Mail 0.084 % (2) Standard Mail 0.231 % (3) Periodicals 0.165 % (4) Package Services 0.015 %

DIMM Advisory: IMb™ Services Update.

- Full-Service System Upgrade The Full-Service application will undergo a major system upgrade from midnight Saturday, May 4, through midnight CT, Tuesday, May 7, 2013. During this period, Full-Service mailers will not receive or have access to new data (ACS Feedback Reports; Container, Tray, and Bundle Visibility reports; Mail Data Quality reports). Starting Tuesday, May 7, 2013, Full-Service mailers will begin to receive and have access to new data, but the data will not be current until Tuesday, May 14, 2013. Access to existing data will not be affected during the upgrade period.
- PostalOne!® Release 34.0.1: A release to repair known issues in PostalOne!® Release 34.0.1 will be deployed during the scheduled maintenance window from 4 a.m. through 8 a.m. CDT on Sunday, May 5, 2013. This will be done in a rolling fashion and there will be no planned outage during the software deployment. There is no new Mail.dat® client with this release. This release will address known issues including display and reporting issues. Details will be posted Monday, April 29, 2013, on RIBBS under Major/Minor Releases/2013 Releases/April 2013.

Federal Reserve System: The Federal Reserve's Retail Payments Office (RPO), located at the Federal Reserve Bank in Atlanta, today announced plans to conduct a new study to determine the current volume and composition of electronic and check payments in the United States. This triennial study continues the research conducted by the Federal Reserve in 2001, 2004, 2007, and 2010.

INDUSTRYALERT The Postal Service has filed a request with the Postal Regulatory Commission to change the names of Express Mail® and Express Mail International®. If approved, Express Mail®, which has long served as our fastest domestic service, will be named Priority Mail Express TM. Express Mail International® will be named Priority Mail Express InternationalTM. If approved, the changes will take effect on July 28, 2013. The goal of the changes are to help revitalize Express Mail by leveraging the widespread recognition of, and positive associations with, the Priority Mail brand as well as building on the brand awareness of Priority Mail. An additional benefit is that the new names will effectively consolidate a good portion of the Postal Service's shipping products under a single brand identity. Priority Mail Express and Priority Mail Express International will retain the same service as they receive today. Additional information will follow in the coming weeks to guide Express Mail and Express Mail International customers through the transition, including guidance on packaging supplies and labeling. The specific changes involved with this request are as follows:

Current: Revised:

Express Mail Corporate Account (EMCA)

Express Mail International

Priority Mail Express

USPS Corporate Account (USPSCA)

Priority Mail Express International

IOLNews: Somalis may soon be receiving letters from abroad for the first time in more than 20 years after a deal was struck with the United Nations' postal agency, the latest step towards ending Somalia's isolation following two decades of civil conflict. But the challenges to bringing the Horn of Africa country back into the global postal community are manifold - there are no functioning post offices, only the main roads are named and most houses do not have a number.



Virtual Post Office Boxes. <u>Virtual Post Office Boxes</u> -- Would you want to direct your mail to meet you wherever you go? This paper suggests a concept called the Virtual Post Office Box, which would provide users with an address that could be redirected anywhere they choose. The Virtual PO Box could offer

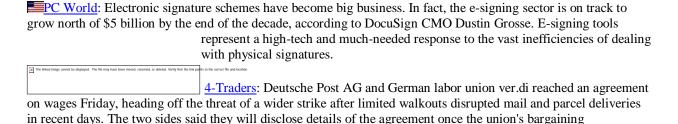
many features and options that customers could combine to suit their needs.

Two examples of how mail remains important to the home sales sector:

commission approves the agreement. The panel is set to meet later today.

- Fannie Mae: Fannie Mae has created a variety of solicitation materials (letters, postcards and statement inserts) to make it easier for Fannie Mae-approved lenders and servicers to reach out to HARP-eligible borrowers. Each piece can be customized to include your company's logo and contact information, and the specific borrower's loan information. Also, you have the option to use co-branded versions which includes your company and Fannie Mae's logo. Before using these materials, please review the Guide for Using HARP Consumer Solicitation Materials for important instructions, terms and conditions, marketing tips and more.
- <u>Blown Mortgage</u>: Soon, many people will be getting a piece of mail from a lender that talks about the benefits of the HARP refinance program. The HARP refinance program is designed for people who currently have a loan that is owned by Fannie Mae or Freddie Mac to refinance and take advantage of lower interest rates regardless of how much they owe on their home.

Reuters: Amazon.com Inc appears to have figured out the secret to being more profitable: sell less physical stuff. The Internet retail giant that once specialized in moving books and other physical items quickly is increasingly trying to do the same in the digital world, where profit margins are higher, partly because e-books, music and video files and are transmitted electronically at high speed.



Medill Reports Chicago: Following ricin mailings, USPS and customers remain confident in postal security

The President has signaled his intention to nominate Nanci Langley for another term of office as Postal Regulatory Commissioner. *Congratulations!*

<u>eCommerceBytes</u>: As the cash-strapped U.S. Postal Service rolls out new shipping services, works to reduce its distribution network and lobbies Congress for legislation to ease its labor expenses, the agency's Office of the Inspector General is reviewing a series of proposals for a new revenue line: international ecommerce. Prepared by MIT professor and entrepreneur Shiva Ayyadurai, the report describes the significant role that the Postal Service could play in facilitating global ecommerce, improving its own balance sheet while opening up new channels of economic activity for U.S. buyers and sellers.

April 25, 2013

Matt Swain @SwainfoTrends Carper's focus is on cost reduction, no mention of overhaul of the model or digital initiatives.

At the Postal Regulatory Commission: Docket No. MC2013-45 -- Express Mail and Express Mail International Name Change: The United States Postal Service (Postal Service) hereby gives notice of minor changes to the Mail Classification Schedule (MCS). The proposed changes reflect the Postal Service's plan to rename Express Mail® and Express Mail International® as Priority Mail ExpressTM and Priority Mail Express InternationalTM.

The Foreigner: The Norwegian Design Council annually recognises design excellence through awards in seven categories. The prizes can be many if considerable number of good designs were realised the previous year. An Honours Award is also conferred on the one judged the best of the year among all the designs so recognised. The Council conferred this year's on the Paxster, an electric vehicle for postal delivery. The Paxster is a motorised light quadracycle, which can be registered as a moped according to the relevant EU Directive. Yet the Paxster has a weight capacity of 200 kg (about 440 pounds) and can travel 50 to 80 km (some 30 to 50 miles) before its lithium ion polymer battery needs recharging.

<u>The Foreigner</u>: A Rembrandt etching sent to a gallery owner recorded delivery went missing in the Norwegian postal service.

So...how we doin'?

- <u>Harte-Hanks, Inc.</u> today reported first quarter 2013 diluted earnings per share from continuing operations of \$0.11 on revenues of \$178.3 million. These results compare to diluted earnings per share from continuing operations of \$0.12 on \$186.0 million in revenues for the first quarter of 2012.
- R.R. Donnelley & Sons Company today reported financial results for the first quarter of 2013: (1) First-quarter 2013 net sales of \$2.5 billion grew 0.5% from the first quarter of 2012 (2) U.S. Print and Related Services segment net sales declined 0.5% (3) International segment net sales grew 3.5% (4) Organic net sales decline of 1.2% reflects improvement in trend from the previous five quarters (5) First-quarter 2013 GAAP net earnings attributable to common shareholders of \$27.1 million, or \$0.15 per diluted share (6) First-quarter 2013 non-GAAP net earnings attributable to common shareholders of \$68.1 million, or \$0.37 per diluted share (7) First-quarter 2013 non-GAAP adjusted EBITDA of \$277.1 million, or 10.9% of net sales (8) Company reaffirms revenue, margin and free cash flow guidance for full-year 2013

Post & Parcel: Canada Post will be making a \$1bn annual loss by the year 2020 – and changing prices or service standards cannot deal with the problem alone, according to a new report. The study commissioned by Canada Post suggested a range of solutions should be taken together to solve the budget gap – including moving to alternate-day deliveries, and ending delivery to the door.

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

■Non-recurring effects helped Canada Post to return into the black last year.

Austrian Post plans to deliver standard mail in Croatia.

Deutsche Post proceeds against the legal basis of De-Mail at EU-level.

all lively discussion about the future of the postal codes after the privatisation of Royal Mail has started in the UK. Currently, business minister Michael Fallon plans to sell the data base with 24m addresses in the course of the post's privatisation. At the same time, the regulator should tightly control the pricing and access to the information.

China's express and postal services have continued their strong growth in the first quarter of this year.

A report by the Spanish regulatory authority, Comisión Nacional del Sector Postal, drew a bleak picture of the post. The study, which was compiled by consultants of Ove Arup & Partners, among other things, concluded that the revenue per employee at Correos y Telegrafos is just 28,655 euros while the European average is 41,062 euros. Even in financially ailing countries like Portugal, Cyprus and Greece this figure would be higher.

The Czech post's e-service portal for digital communication between authorities and consumers or companies respectively develops quite slowly.

With investments in the billions, the French post plans to expand its international parcel and express business.

The association of privately run postal and CEP service providers in Switzerland, KEP&Mail, still adheres to a full opening of the market.

The Lithuanian post closed the second consecutive year in the black.

A retail chain in Denmark will be the first of its kind to install parcel terminals in Denmark. From October on, 300 parcel terminals will be deployed in stores of the retail chain Coop.

Romanian Total Post further expanded its network. News portal »Romania Insider « (22.04) reported that the privately run postal service provider (turnover 2012: 7.7m euros, +208%) plans to inaugurate 31 additional delivery bases and hire 180 new posties (up 20%) after signing two contracts with major shippers.

The crime rate on the Brazilian CEP and logistics market remains on a very high level.



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.)

won't use union labor when it reopens the plants. The company's largest union, the Teamsters, had agreed to a new labor contract following a contentious bankruptcy trial. But the second-largest union, the Bakery, Confectionery, Tobacco Workers & Grain Millers International Union, launched a work stoppage after the company imposed new labor terms on the union's members. Hostess said the strike crippled its operations, forcing it to shut down.

Tamebay: eBay has just announced the change in estimated delivery times for Royal Mail 2nd Class post will be made permanent this week. The delivery estimates for Royal Mail 2nd Class (with or without Recorded Signed For) will change to 2-3 working days. Previously the delivery estimate for Royal Mail 2nd Class postage was 3-5 working days. The good news is that eBay are not making any change to the way that Royal Mail 1st Class post is displayed. When eBay started testing they announced a trial of 1 working day for 1st Class post but it appears that this will remain at 1-2 days delivery estimate.

National Post: It is time to acknowledge that, certainly in urban Canada, there is almost no reason for Canada Post to exist at all. All I get in the mail are bank and credit card statements that I have begged to stop receiving; magazines, which I could live without if alternative distribution methods proved cost-prohibitive; Christmas and birthday cards, ditto; cheques, which have no earthly reason to exist in 2013; parcels, which represent Canada Post's only growth market (projected to rise 26% by 2020) but which arrive just as often via courier; and junk. If anything is to be salvaged from Canada Post, the company and the country that owns it need to abandon romantic notions and confront its near-obsolescence.

The Hill: A Democratic congressman has launched a petition with the White House seeking support for his legislation to revamp the U.S. Postal Service. Rep. Peter DeFazio's (Ore.) bill would end a requirement that USPS prefund future retirees' healthcare, mandate that the service deliver the mail six days a week, give the service more revenue-generating opportunities and push the agency to bring back overnight delivery standards. DeFazio's bill contains the sort of proposals that many liberals and postal unions favor, and comes after USPS lost close to \$16 billion in the last fiscal year – most of it from defaults on the prefunding requirement. Sen. Bernie Sanders (I-Vt.), who played a big role in bipartisan postal legislation that the Senate passed in 2012, has introduced companion legislation.

Courier, Express, and Postal Observer: At Postal Vision 2020, Senator Tom Carper indicated that he hopes to have a Postal reform bill on the President's desk by the July 4th recess and if not then by the August recess. He expects to work toward passage of a postal reform bill within this time frame in the Senate through regular orders. This means he will hold a hearing and accept comments on a public draft of a Senate Homeland Security and Governmental Affairs committee drafted bill within the next month. Then after a short period of reviewing this testimony and comments submitted, the Committee will hold a business meeting to mark-up the bill. Given the Senator's time frame, it would appear that mark-up could occur as early as late May or early June.

National Association of Letter Carriers: At Wednesday's session of PostalVision 2020, NALC President Fredric Rolando explained in persuasive -- and un-rebutted -- terms why going to five-day mail delivery is neither warranted nor wise, and would in fact be destructive. The factor accounting for almost all of the Postal Service's red ink, Rolando told the audience at the L'Enfant Plaza Hotel in Washington D.C., is the congressional mandate to pre-fund future retiree health benefits for the next 75 years and do so within a decade, a requirement faced by no other agency or company in America. "It's important to face up to where the losses are coming from," President Rolando said, as he made the case against eliminating Saturday delivery, as pushed for by the postmaster general and anti-worker elements in Congress.

White House: The President has sent to the Senate the nomination of David Michael Bennett, of North Carolina, to be a Governor of the United States Postal Service for a term expiring December 8, 2018, vice Thurgood Marshall, Jr., term expired.

<u>Postalnews Blog</u>: Bennett is a former executive of Northrup Grumman, one of the USPS's biggest contractors, and one which is currently involved in a litigation with the USPS over the failed FSS automation program.

April 24, 2013

Public Integrity: Finnish state-owned postal company Itella has offshore subsidiaries in both Cyprus and the BVI, documents obtained by the International Consortium of Investigative Journalists show. The revelation comes at a time when the Finnish government promised to be at the frontline of the fight against tax evasion. Since 2011, Finland has explored the possibility of adopting a stricter set of criteria for tax havens, surpassing the standards applied by the Organization for Economic Cooperation and Development. Itella, part of the National Mail Company, has had four subsidiaries in tax havens over the past five years; three in Cyprus and one in the British Virgin Islands.

Marketwire: Ricoh Production Print Solutions LLC (Ricoh), a leading provider of digital output solutions, today announced a broad range of new features and enhancements to its workflow software and solutions portfolio. These latest updates can now better address the multiple pain points that customers -- ranging from large transactional mailers to smaller commercial printers -- are facing everyday: errors with manual processes, increasing postal costs, lack of integrity for critical communications documents and much more. These new workflow offerings are available today to Ricoh customers.

Canada: In a stunning update to the lawsuit currently underway between Canada Post and Geolytica, the firm which runs Geocoder.ca, Canada Post now claims they also own the common word pair "postal code." In an amended statement of claim, filed this week in federal court, Canada Post is expanding their original claim — that they own the copyright to postal codes — against Geolytica to include not just copyright violations but trademark violations.

PRNewswire: Canada Post has launched a public online forum for Canadians to join a national conversation that will help shape future postal services. The launch of the public forum follows the April 23 release of a Conference Board of Canada report entitled "The future of postal services in Canada." The report projects Canada Post may lose almost \$1 billion a year by 2020 as a result of relentless declines in Lettermail volumes. As Canadians have changed how they use the postal system, Canada Post is seeking their views on how to transform the business in order to meet their current and future needs. The Corporation is aware of the important role it plays in connecting Canadians, in urban and rural Canada, in the North and as an enabler for small businesses. Canadians will be able to share their thoughts in two ways. They can submit their comments on the Canada Post website (canadapost.ca) and click on

The Future of Canada Post or they can write to the address below: THE FUTURE OF CANADA POST, 2701 RIVERSIDE DR SUITE N0800, OTTAWA ON K1A 0B1

Direct Marketing News: How many entrenched old enterprises, confronted with their very mortality in the face of encroaching digital domination, would put one of their security chiefs in charge of innovation? That's exactly what the United State Postal Service did in appointing Deputy Chief Postal Inspector Randy Miskanic its new vice president of digital solutions. But a congregation of postal intelligentsia at Postal Vision 2020 in Washington gave Miskanic a standing ovation following his preview of the USPS's foray into a brave new world. Because one thing a mail cop and his federal employer have that Google and UPS does not is a core competency for rooting out scammers and prosecuting them—a fair point of differentiation with which to enter the digital space.

EcommerceBytes: You might expect someone who works at Google under the title "chief Internet evangelist" to be a willing author of an obituary for a legacy institution like the U.S. Postal Service. But Vint Cerf, one of the engineers who developed the original TCP/IP protocols that make the Internet run, is not ready to deliver that eulogy. Speaking here at the third annual PostalVision 2020 conference, Cerf called the physical delivery of mail that the Postal Service provides "very fundamental to a democratic society." "It's a national infrastructure just like schools and roads, the water supply, electricity and telecommunications, so I think it's utterly incumbent on all of us ... to figure out how to retain this very, very important infrastructure," Cerf said. But if Cerf and others take it as a given that the Postal Service should be preserved for the civic benefit it provides, the question of how to make it viable and enduring in the digital age is more vexing.

From the Federal Register:

Postal Regulatory Commission	
NOTICES	
Temporary Mailing Promotions,	
24239–24240 [2013–09597]	[TEXT] [PDF]
Postal Service	
PROPOSED RULES	
New Mailing Standards for Live Animals and Special Handling,	
24132–24134 [2013–09603]	[TEXT] [PDF]

The Times of India: While postal department is pushing for modernisation of its services, its revenue has also increased. Allahabad postal region earned revenue of more than one billion rupees in the last financial year. Other than transmission of letters and selling postage stamps, the department also provides services like banking, insurance and other financial services.

Huffington Post: More than a million Canadians may have had their private information compromised by data breaches within the federal government over the last ten years, an analysis by The Huffington Post Canada suggests. Prompted by a question from NDP MP Charlie Angus, the government was forced to acknowledge this week that at the very least, there were 1,072,999 instances where a Canadian's private information held by various departments and agencies was lost, stolen or accessed by an unauthorized third party.

Press Release: On April 23, 2013, the United States Postal Service awarded Federal Express Corporation (FedEx) a seven-year Air Cargo Network contract to provide domestic air transportation service for Priority and Express Mail. The current contract with FedEx ends in September 2013, and the new contract will begin in October 2013. The Postal Service conducted a competitive procurement for the transportation of domestic mail products by air, incorporating new service performance requirements and improved contract terms and conditions. Following a rigorous evaluation of technical aspects, pricing, and other factors in the proposals, the Postal Service

determined that the FedEx proposal represented the best value. See also the <u>Wall Street Journal</u> and <u>Bloomberg</u> Businessweek.

Courier, Express, and Postal Observer: Yesterday, United Parcel Service sent an e-mail to all UPS MyChoice members that announced an additional customized delivery option available to members of UPS MyChoice services. The upgrade allows recipients to shift parcels sent by the shipper using UPS Surepost or UPS Basic from delivery by a U.S. Postal Service carrier to delivery by United Parcel Service driver. UPS MyChoice customers can choose to upgrade an individual UPS Surepost or UPS Basic shipment or choose to have all UPS Surepost and UPS Shipments sent to them. UPS charges \$3.50 for each shipment upgraded..

Fox News: The Justice Department laid out its case in a lawsuit against Lance Armstrong on Tuesday, saying the cyclist violated his contract with the U.S. Postal Service and was "unjustly enriched" while cheating to win the Tour de France.

April 23, 2013

BusinessWire: FedEx Corp., through its FedEx Services subsidiary, has launched FedEx Delivery ManagerSM which gives U.S. customers a range of options to schedule dates, locations and times of delivery. By signing up at fedex.com/delivery, customers can receive notification of FedEx Express and FedEx Ground packages en route to their homes, and can choose various delivery options. Sign up is free. Some options, including scheduling deliveries for a specific date, or time, or to another address are available for a nominal fee. Customers can also actively track and manage the deliveries en route to or from their home without a tracking number or even a FedEx account. FedEx Delivery Manager is available through multiple digital platforms—including a free mobile app—and customers can request alerts via email, SMS text or phone, providing advance notifications about packages being shipped to their homes. With FedEx Delivery Manager, customers can request the options they want, when they want them, without being locked into a premium-priced membership.

AGI: Italy's antitrust authority ruled on Tuesday that Poste Italiane SpA has six months to apply VAT to its services.

Postal Technology International: KEBA has launched its KePol automated logistics system in the Czech Republic that will be operated by Kouzelna Almara and will be used for the company's parcel deliveries and those of other selected e-shop partners. The e-commerce market in the Czech Republic is growing rapidly with a corresponding, ongoing increase in parcel volume. Kouzelna Almara is looking to provide its customers with a genuine value added service, allowing them to collect their parcels at their own convenience 24/7. It is here that KEBA parcel automation provides a genuine customer advantage, as delivery and recipient availability are no longer inter-connected processes. This is one of the key benefits that will provide Kouzelna Almara with a competitive lead in the market.

Direct Marketing News: One of the people responsible for the proliferation of electronic mail, a man truly hailed as one of the "Fathers of the Internet," told attendees at Postal Vision 2020 today that he considers the United State's Postal Service's brand of physical delivery as fundamental to a democratic society. "It's a national infrastructure like schools, public roads, water supply, electricity, and telecommunications," said Google VP and Chief Internet Evangelist Vint Cerf, who helped introduce commercial email as a tech strategist at MCI in 1983. "I think it's utterly incumbent on all of us to figure out how to retain this very important infrastructure." Cerf's remarks were delivered during the opening session of Postal Vision 2020, a Washington, DC, convocation of postal regulators, policy makers, businesspeople, and academics exploring ways to keep the beleaguered USPS in business for the next decade and beyond. The first panel discussion, which included Cerf and was moderated by Weber Shandwick founder Larry Weber, elicited questions from the floor from current USPS Inspector General David C. Williams and Yale Law School Professor Judith Resnik. But it was Cerf who drew murmurs of approval from those assembled when he said that the Postal Service's current predicament was the fault of a Congress that had "set them up as a quasi-private sector business and then tied their arms behind their backs."

<u>Daily Telegraph</u>: Tens of millions of bills and credit statements could go undelivered by Royal Mail after postal unions said they were planning their biggest programme of industrial unrest for six years.

National Journal: "Forget About Email and Learn the History of the Zip Code"

Postal Consulting @PostalKathy (Live from PostalVision 2020)

- OIG/InfoTrends study to come out end of May: What Americans Want and Need from the USPS
- OIG/InfoTrends study: Younger Americans more open to USPS offering new svcs
- OIG/InfoTrends study: over 70% oppose reducing PO hours, closing facilities if it means 1-2 day svc delay, or 3 day service
- 95% of internet-connected study respondents said they want USPS to continue to operate.
- Early results on OIG/InfoTrends study: only 23% of Americans realize the USPS is self-funded.
- Matt Swain, InfoTrends at PV2020: 23% of businesses surveyed rank reducing print/mail communications as a top strategy
- Voice of American public missing from debate on future of USPS. OIG asked InfoTrends to study
- lettrs.com co-founder talks about value of letter writing at PostalVision 2020
- Technology has focused on making communications fast...not necessarily meaningful, http://lettrs.com co-founder
- Grubin talks about http://sopost.com offering
- sopost.com links social media account info to postal address

Financial Times: Ecommerce is booming in Russia as more people hook up to the internet. But a corresponding surge in parcel volumes is straining the the old fashioned postal services to the limit and last week cost the head of the Russian post office his job. The Russian ministry of telecommunications fired Alexander Kiselyov, the chief executive of state owned Pochta Rossii on Friday amid a furore over a breakdown in parcel deliveries. Kiselyov, who has headed the post office since 2009, will be replaced by Dmitry Strashnov, the former head of mobile telephone operator Tele2 Russia, Ria Novosti reported. Kiselyov has been fighting to save his job in recent weeks as a 500 ton backlog of foreign parcels swamped Moscow airports, forcing the authorities to refuse incoming deliveries from overseas. He says the Russian customs services – known for nitpicking surveillance practices – were partly responsible for the chaos. But Pochta Rossii and Kiselyov have taken the flack as angry Russians petitioned online for improvements to the postal service.

Dawn.com: With mushroom growth and booming business of courier companies, the government is considering setting up of Pakistan Private Courier Services Regulatory Authority (PPCSRA) to regulate and monitor courier services for improved competition, revenue collection and consumer protection. The ministries of finance, postal services, law and justice and interior are currently in consultation process for finalisation of legislation that could be put in place through a presidential ordinance or an act of parliament after May 11 general elections. The proposed regulatory authority would not only regulate the functions of courier and cargo services but also generate funds for the government and set tariffs for courier services in a transparent and fair manner.

HETQ: Haypost launches operation of PostMobile, a new system brought by Haypost to enlarge its network and make available the modern postal, financial and commercial services to the population countrywide. At the first stage, PostMobile will regularly visit the rural communities of Aragatsotn region among which are both villages with existing post offices and villages where postal services were never available before. ------>



Mashable: In an age dominated by social media, the quality of our long-distance interactions is diminishing. There's only so much you can say in a 140-character tweet, it's tough to express yourself in a Facebook message and emails seem to be getting shorter and shorter. But tech startup lettrs is trying to change all of that. After providing an inventive cloud-based platform to send both paper and digital letters around the world since last year, lettrs launched its first mobile app for the iPhone on Tuesday, with Android and iPad versions already in development. The app extends the function of the lettrs platform by converting mobile voice, data and pictures to digital and paper post

letters. With the goal of increasing meaningful communications from the palm of your hand, the app allows you to dictate, modify and deliver a letter through either the cloud or via lettrs' real-life postal operations. Drew Bartkiewicz, founder of lettrs, will introduce the app at the PostalVision 2020/3.0 conference in Washington, D.C., where he's leading a panel discussion on the future of written communications.

BBC: Two Portuguese men have been jailed for importing drugs including heroin into Guernsey through the post.

Thomas (Tom) Marshall, Deputy General Counsel has been names to succeed Mary Anne Gibbons as General Counsel and Executive Vice President, effective May 4, 2013.

Fierce Government: By the end of 2017, taxpayers might have to spend \$58 billion to prop up the Postal Service as its debts accumulate, he said in a speech at the National Press Club in Washington, D.C. To avoid that, the Postal Service wants flexibility to pursue new products and to set prices for enterprise customers, he said. It would also like to switch its employees to a privately run health insurance plan and replace its pension system with a defined-contribution retirement plan.

Wall Street Journal: Technology is having a dramatic impact on how Canadians use postal services, and the resulting decline in mail volume is projected to push Canada Post to an annual operating loss of \$1 billion by 2020. A Conference Board of Canada report, The Future of Postal Service in Canada, looks at how the needs and expectations of Canadian households and businesses are evolving, and assesses a range of options that could enable Canada's postal service to remain self-sustaining in the digital age.

Seattle Post-Intelligencer: The U.S. Environmental Protection Agency is recognizing the U.S. Postal Service's Honolulu processing and distribution center for recycling more. See also The Globe and Mail.

<u>DNAIndia</u>: Lakhs of letters, mostly belonging to defence personnel and their families, are lying undelivered in more than 15 bags and five big boxes at a post office (PO) in the city for the past six months.

Companies and Markets: The global express delivery market generates annual revenue of approximately \$180 billion. North America, and the US in particular, is the largest market for express delivery services, but Asia, Europe, and Latin America are being targeted for industry growth.

Belfast Telegraph: In response to claims that privatisation could wreck our postal service, I wanted to point out that, in 2011, parliament passed the Postal Services Act, which set a framework for private investment in Royal Mail. Private investment will still allow Royal Mail to continue to deliver a six-days-a-week service at a uniform price across the country. Royal Mail has an opportunity to grow.

The latest issue of Market Flash, IPC's bi-weekly newsletter providing a comprehensive look at new developments emerging in international postal industry. You may access the PDF here. TOP STORY Le Groupe La Poste's parcels second in Europe and fifth in the world AMERICAS FedEx Trade Networks expands in Latin America FedEx actively monitors critical shipments end-to-end ASIA PACIFIC Improved air capacity enhances DHL's Asian services FedEx widens its retail

footprint in India ■ DHL taps into growth in China's luxury goods consumption EUROPE Sale of Royal Mail on the horizon ■ Itella sets goals for profitability growth ■ Austrian Post makes acquisitions in Bulgaria and Turkey ■ Norway Post builds up its Nordic logistics business ■ PostNL half way through parcels network renewal ■ Le Groupe La Poste in initiative to promote digital identity solutions ■ Russian Post tackles its parcels backlog ■ Deutsche Post now more than 75% in private hands ■ Estonian Post boosts profits and invests in parcels ■ DHL stations gain Envirotainer accreditation ■ Itella automates non-standard shipments ■ DHL builds fashion warehouse jointly with customer

<u>Waterbury Republican-American</u>: While the USPS remains an important and valued service, with about 160 billion pieces of mail delivered last year, it cannot be expected to maintain current staffing and service levels in an

era of steeply declining demand. Arguably, one of the least important things the USPS does — from the perspective of its customers — is deliver mail on Saturdays. Saturday is not considered a "business day," as banks and many other businesses define the term. And if the postal service manages to evade significant public outrage or encounters with the dreaded law of unintended consequences, discontinuation of Saturday delivery could be a launching pad for effective reforms.



<u>Management Advisory Report, Report Number MS-MA-13-002</u> **Postal Service Product Costing Methodologies**:

"Postal Service stakeholders continue to discuss whether the Postal Service's current costing methodologies are viable in today's environment, given the changes in law, trends toward digital technology, and high costs of manual sampling required with current costing methodologies. The following areas appear to need improvement: (1) cost of collecting data from manual sampling, statistical systems, and special studies; (2) availability of timely cost reporting data; and (3) high costs that cannot be directly attributable to a product. In response to these concerns, Postal Service officials recognize the need to explore other options and requested a second report in this series to benchmark costing methodologies of foreign posts."

<u>Financial Times</u>: A Polish delivery company is to launch a service allowing customers to collect their internet purchases from lockers on petrol station forecourts and in supermarket car parks in the UK. The arrival of InPost's service in the UK underlines the proliferation of services that let customers pick up items they have bought on the internet from bricks-and-mortar locations.

PRNewswire: The National Association of Letter Carriers (NALC) will conduct its 21st annual food drive to combat hunger on Saturday, May 11. Letter carriers will collect non-perishable food donations on that day as they deliver mail along their postal routes. It is the nation's largest single-day food drive, and is held annually on the second Saturday in May in 10,000 cities and towns in all 50 states, the District of Columbia, Puerto Rico, the Virgin Islands and Guam.

The Association for Postal Commerce has submitted <u>comments on the Postal Service's "Refunds and Exchanges</u>, Proposed Rule, CFR Vol. 78, No. 50, 16213-16220 [2013-05863]"

April 22, 2013

Save the Post Office: The title of this year's Postal Vision 2020 is "Positioning America for the New Millennium," and much of the conference will be about innovations in the mail industry, like digital solutions and eCommerce. But that reference to "postal services" and "who should provide them" indicates that the conference may be about something else as well. Judging by who's speaking at Postal Vision 2020, it's likely that one of the conference's main themes will be privatization of the Postal Service.

Associated Press: Paperless Post has defied its original digital business model successfully once. Now the online invitation and greeting card startup is taking that defiance a step further. The New York company launched Paper by Paperless Post in October after customers requested a way to get its electronic greeting cards and invitations in a more old-fashioned way: On actual paper. Starting Wednesday, Paperless Post is teaming up with stationery and card maker Crane & Co. to print wedding invitations. Users will be able to choose from 35 wedding invitation designs that they can customize and then print on Crane paper. It sounds like an unlikely match: Crane has been printing cards and stationery on paper made of 100 percent cotton since 1801 in Dalton, Mass., while Paperless Post was launched in 2009 by 20-something siblings with no plans to ever print cards. But it turns out people still want to walk to the mailbox and send the real thing, even though it's much easier and less expensive to send invites and greetings through a tweet, Facebook message or email.

Post & Parcel: Germany's united services union, Ver.di, said today that it will increase the pressure on Deutsche Post with nationwide strikes to take place in the next two days. The industrial action comes ahead of the next round of labour contract negotiations with management at the national postal service, due to take place on Thursday (25th April). The union led strikes last week in certain German regions, causing some disruption to the national mail service as around 6,000 workers went on strike according to Ver.di estimates. Ver.di said last week that up to 8.5m letters were delayed by the strike action. However, the union said it was now expecting several thousand workers to go on strike from tomorrow.

PRNewswire: With pressure increasing on financial markets firms to transform business models and reduce costs, Broadridge Financial Solutions, Inc. (NYSE: BR) announced a strategic partnership with Zumbox intended to dramatically reduce the \$20 billion that financial services firms spend annually1 on printing and distribution of paper-based customer communications. Under the terms of the agreement, Broadridge is adding the Digital Postal Mail service powered by Zumbox to the set of channels supported by Broadridge FluentSM, a communications exchange that centrally manages communications across customer-preferred channels and provides a more efficient way to deliver digital communications easily and cost-effectively. The partnership will further help firms redirect physical mail into interactive digital communications delivered to investors and shareholders. On an average per unit basis, digital mail costs less than half as much as a paper-based mailing. A recent survey by InfoTrends showed that over 70 percent of consumers under the age of 35 were willing to try digital mail1. Digital Postal Mail is a secure, web-based postal system that offers a digital alternative to physical mail.

<u>Post & Parcel</u>: US Postmaster General Patrick Donahoe said on Friday that Congress has a choice ahead of it – whether to give USPS the flexibility to run its own business, or use taxpayer funds to spend "a lot of money to prop up a broken Postal Service". "If we want to avoid major, noticeable disruption later, we have to make responsible, thoughtful choices now."

Herald Tribune: Should you use email marketing instead of direct mail? Isn't email cheaper, quicker and more productive? "Is direct mail dead?" Pat Friesen asks in her digital book, "The Copywriting Cross-Channel Handbook," published by DirectMarketingIQ. "Direct mail is not dead," she says, "But it's changing." The copywriter and columnist says that for direct mail "to remain cost-effective, it's become much more targeted and is now integrated with digital media."

7thSpace: After a series of investigations, Hong Kong Customs on April 18 seized a batch of counterfeit clothes and accessories, worth about \$20,000, that had used the postal service as the delivery channel.

Romanian Insider: Romanian private postal services operator Total Post will expand its distribution network in Romania with 31 new units in the counties of lfov, Arge?, Gala?i, Buzau, Ialomi?a, Olt, Covasna, Bra?ov, Dâmbovi?a and Vâlcea. The company managed to sign two important contracts with clients in the utilities and the telecom areas, which will bring an additional 17 million deliveries a year.

Asia Pacific Future Gov: Bahrain Post has partnered with the eGovernment Authority of Bahrain to launch a mobile service for package tracking. Customers can enter their 13 digit 'mail number' to track their shipments online through Bahrain's egovernment portal, or through a smartphone app, available free for Android and iOS-based phones. Users can download this app through the mobile section of the egovernment portal.

<u>The Burlington Times</u>: Unless Congress is willing to approve an infusion of government funds for the service — which receives no taxpayer support for its day-to-day operations — it should back off and allow the Postal Service to introduce sensible efficiencies.

The Post and Courier: Last week, Postmaster General Patrick R. Donahoe put that figure at \$25 million a day, in comments to the House Oversight and Government Reform Committee. Not counting Sundays and holidays, that works out to about \$7 billion. But Congress isn't listening. Maybe that's because the expense of operating the Postal Service in excess of its revenue is small potatoes to a Congress that continues to oversee a near record growth in the federal deficit, and a national debt almost at \$17 trillion dollars. While the Postal Service can print stamps, it can't

print money. And with Congress' dead hand on the helm, to see how the Postal Service will be able to make the course correction it requires.

Express: Postal workers are set to confirm their opposition to privatising the Royal Mail amid warnings that it could "wreck" postal services. Today, at the union's annual conference, delegates will urge Labour to give a "clear and unequivocal commitment" that following privatisation of all or part of the Royal Mail, the next Labour Government will renationalise it within three years of coming to power. The union's executive is not supporting the call, but will back another motion to offer full support to campaigns against privatisation.

The Telegraph: Members of the Communication Workers Union will debate a motion today at their annual conference which threatens to withdraw funds unless Labour agrees to write the commitment into the party's 2015 election manifesto. The Coalition Government is working hard to prepare for a partial sale of shares in Royal Mail as soon as September this year. The motion "instructs the NEC [the CWU's National Executive Committee] that included in the next Labour Party manifesto there will be a clear and unequivocal commitment to support and defend a 100 per cent owned postal service". The CWU motion also wants "a clear and unequivocal commitment that following any privatisation, of any part of all of Royal Mail, the next Labour Government will renationalise it within the first three years of coming to power". It adds that "failure of the NEC to acheive these points in the next Labour Party manifesto will result in the CWU refusing to give any money towards the Labour Party general election campaign at any level of the CWU". It will also organise a "a ballot of political fund members" on whether to break the CWU's links with Labour altogether.

April 21, 2013

<u>WLOX</u>: We recently saw Congress stop the U.S. Postal Service from doing something that would helped the post office come a lot closer to breaking even. It seems the Postmaster General understands that the huge decline in mail volume because of email and other digital communication means less revenue and a need to cut expenses. The post office has cut staff, raised rates, and curtailed services. But a plan to stop Saturday delivery is now against the law, thanks to Congress. Of course, we shouldn't be surprised. How would it look if the post office managed to balance its budget while the rest of the Federal Government goes deeper in debt?

NebraskaTV: Sparks flew at the National Association of Letter Carriers annual meeting in Kearney, Neb. Saturday morning. Members voiced their opinion about the future of their jobs and where the Postal Service is headed. Many members in the crowd were veterans and one major concern was keeping their benefits after retiring from being a mail carrier. NALC officer Nicole Rhine says what started the re-routing of the Postal Service's operations was when Congress decided to mandate the Postal Service to pre-fund millions of dollars for future employee's pensions. "It's this mandate that's caused most of the problem so we're trying to work with Congress," said Rhine. But Rep. Adrian Smith says he wants the government to be less involved. "I don't think it's appropriate for Congress to get overly involved in the management of the Postal Service," said Smith. And Rhine says this issue should be a bi-partisan effort.

Financial Times: Postal union leaders are threatening to ballot members on boycotting deliveries for Royal Mail's rivals, in a move that could muddy the waters over privatisation of the state-owned postal operator. The Communication Workers Union's annual conference later this month will discuss a timetable for a consultative ballot of its 150,000 Royal Mail members to introduce a ban on the grounds that rivals are competing unfairly by "cherry-picking" profitable bulk mail contracts.

<u>Washington Post</u>: A former Iowa letter carrier who sent threatening letters and dud pipe bombs to investment firms has apologized in a federal courtroom in Chicago, telling a judge that he is ashamed of what he did. John Tomkins, known as "The Bishop" bomber because he signed his notes with that moniker, made the apology at a presentencing hearing Friday, the Chicago Sun-Times reported

<u>Dead Tree Edition</u>: Mailers should beware of postal officials bearing gifts. The U.S. Postal Service announced a few days ago a "Technology Credit" of up to \$5,000 for mailers who use Full-Service Intelligent Mail Barcodes. But if the Postal Service gets its way, the one-time credit would result in a permanent and ultimately far more expensive

price increase for senders of First Class, Standard, Periodicals, and Bound Printed Matter mail. And it would set a precedent for similar efforts to circumvent the inflation-based price cap on most postal rates.

BDLive: THE South African Post Office (Sapo), which lost R137m in revenue due to an unprotected strike that saw 588 people lose their jobs, has sent six of its directors on a luxury junket to Brazil to attend the Post-Expo Latin America conference. The "work study trip" for six directors — Buhle Mthethwa, Nomathemba Kela, Getty Simelane, Shu'ayb Patel, Richard Sishuba and acting Postbank managing director Shaheen Adam — is costing the parastatal R529247. This amount is more than twice the annual salary of the average Post Office employee, according to 2011 figures. The aim of the trip is to "research postal services and banking services, including a franchising model used by Correios Brasil, Brazil's national postal service", Sapo spokesman Khulani Qoma said. With the exception of Mr Patel and Mr Adams, the Post Office directors on the Brazil junket have served on the board for barely seven weeks. And of the six directors on the trip, only Adams has executive powers. The rest are non-executive directors not likely to get their hands dirty with the parastatal's operations.

Fort Wayne Journal Gazette: A vocal crowd of postal workers, unsurprisingly undeterred by a cold April afternoon, rallied Friday in downtown Fort Wayne to support preserving six-day mail delivery. One of the goals of Friday's event was to bring attention to a federal mandate that requires the Postal Service to pre-fund benefits for retired employees.

April 20, 2013

Laily Mail: Royal Mail's 'stealth tax' on posting parcels: Small businesses in despair after packaging bills double.

Bloomington Pantagraph: U.S. Rep. Aaron Schock addressed postmasters from across Illinois on Friday, assuring them reform of the U.S. Postal Service is beginning in Congress, even as postmasters are uncertain what cutbacks may be coming, or even how many days a week their mail carriers will be delivering. Schock acknowledged the heavily legislated government agency has been pressured to be more financially viable while it cannot make many internal decisions without Congress' say so. "In many foreign countries around the world, similar postal services have struggled with similar problems ... and in many cases their post offices have remained profitable despite even more dramatic declines in the mail volume than we've seen in our own country," Schock said.

From the Federal Register: Postal Regulatory Commission NOTICES Settlement Conferences, 23786–23790 [2013–09373] [TEXT] [PDF]

News Times: The ricin mailed to the president and a U.S. senator is relatively easy to make but generally can't be used to target a large number of people, experts say.

In a letter to the entire mailing industry, the PMG wrote:

On January 26, 2014, an Intelligent Mail® barcode and the full-service option will be required for mailers to receive automation price discounts. Our intent is to create 1 00 percent visibility in the mailstream by providing mailers with near real-time data on their mail and packages from origin to final delivery.

In an effort to assist the mailing community in the conversion to full-service Intelligent Mail, we have worked during the past two years to develop several important initiatives. In June we will begin offering a Full-Service Technology Credit to help defray some of the costs associated with conversion to full-service. In addition, we are working to make it easier for mailers to adopt fullservice including certifying and promoting vendors' full-service software.

Despite these and other steps, it has come to my attention that some businesses remain skeptical about the Postal Service's resolve to meet the January implementation date. I want to assure everyone that our full-service requirement will go into effect in January 2014. The benefits of full-

service to the mailing industry compel us to meet this time line.

I look forward to continuing our work together to make full visibility of the mail a reality and to grow our industry.

During his presentation at the National Press Club, the PMG made reference to the Postal Service's five-year strategic plan. You can find a copy of the plan on the USPS web site.

The Hill: Two top senators overseeing the U.S. Postal Service are pressing the agency's regulator for more information about its travel expenses. Sens. Tom Carper (D-Del.) and Tom Coburn (R-Okla.) — the chairman and ranking member of the Homeland Security panel — asked the chairwoman of the Postal Regulatory Commission, Ruth Goldway, for information on all trips made in 2012 and 2013. "The Postal Service lost nearly \$16 billion and recently reached its \$15 billion borrowing limit with Treasury," Carper and Coburn wrote this week. "Difficult financial times such as these demand both innovative solutions and leading by example."

Wall Street Journal: The U.S. Postal Service will need a large infusion of taxpayer dollars if Congress doesn't move to fix the money-hemorrhaging agency's financial problems, Postmaster General Patrick Donahoe said Friday. The Postal Service, which hasn't been profitable since 2006, will owe the federal government \$58 billion by 2017, according to the latest estimate of the agency's fiscal situation. Congress hasn't approved legislation that could reverse those losses and last month blocked the end of Saturday mail, which would have saved about \$2 billion annually. Congress "can decide to start appropriating a lot of money to prop up a broken Postal Service, or it can give the organization the flexibility to operate more effectively," Mr. Donahoe said in a speech at the National Press Club. Mr. Donahoe in the past has said the government might have to bail the independent agency out, but his Friday remarks conveyed a sense of growing urgency.



At the Postal Regulatory Commission:

 MT2012-1 First-Class Tracer Data Collection Report FY12, Q1-4 and FY13, Q1-2 http://www.prc.gov/docs/86/86861/USPS%20Cov%20Ltr%20for%20FC%20Tracer%20DCR.pdf
 http://www.prc.gov/docs/86/86861/First-Class Tracer by Ouarter Detail.xls

April 19, 2013

Postmaster General Patrick R. Donahoe was the featured luncheon speaker at the April 19th, 2013 National Press Club Newsmakers Luncheon in Washington, DC. He urged Congress to pass legislation soon and outlined requirements for that legislation to avoid any long-term burden to U.S. taxpayers.

DMM Advisory: IMbTM Services Update

- PostalOne!® Release 34.0.0 Deployment is rescheduled for April 21. An extended maintenance window is required to complete all software updates. There will be a PostalOne! ® outage from 12 midnight through 9 a.m. CT, Sunday, April 21, 2013. A mandatory Mail.dat® client download will be available immediately following the software update. Release notes for PostalOne! Release 34.0 can be found on RIBBS by clicking on Major/Minor Release Schedule/ 2013 Releases in the left-hand navigation bar or by going directly to Full Service 2013 Releases.
- **PostalOne! Release 34.0 Test Environment for Mailers (TEM) Deployment** is rescheduled for Monday, April 22, 2013, and PostalOne! TEM will be unavailable from 7 a.m. through 3 p.m. CT.
- **PostalOne! Release 34.0 Webinars** for mailers were held on April 16 and 18. Access the PostalOne! Release 34.0 PowerPoint and the April 16 recording on RIBBS under Intelligent Mail/Education.
- FAST® Release 24.0 Deployment is rescheduled for Sunday, April 21, 2013, from 4 a.m. to 8 a.m. CT. FAST® Mail.XML® messages will not be available from 12 midnight to 9 a.m. CT; however, messages will be queued during the outage. On-line FAST appointments can still be made from 12 midnight to 4 a.m. CT and then after 8 a.m. CT.

- FAST Release 24.0 Test Environment for Mailers (TEM) Deployment is rescheduled for Monday, April 22, 2013. FAST TEM will not be available from 8 a.m. through 12 noon CT. Contact the FAST Customer Support Desk (by email fast@usps.com or by phone 1-877-569-6614) if you have any problems.
- Full-Service Major Outage The Full-Service application will undergo a major system upgrade from Saturday, May 4 through Monday, May 6, 2013, requiring a major outage that will affect Full-Service mailers' ability to access new data (ACS Feedback Reports, Container and Tray Visibility reports, Mail Data Quality reports). Outage hours will be announced when available. On May 7, 2013, Full-Service mailers will again be able to access this data, but the data will not be current until Tuesday May 14, 2013.



Office of Audit Report Number: MS-WP-13-002: Virtual Post Office Boxes

"....The virtual PO box would benefit the Postal Service as it responds to the complex challenge of monetizing digital services, since the traditional PO box already has a fee structure. The virtual PO box, in addition to adding functionality to email accounts and smart devices, would also be a portal for broad new uses for the Postal Service's current network and products."

Post & Parcel: UK Post Office staff are again going on strike again this afternoon, protesting a pay freeze and plans to outsource 76 branches to retail partners.

Post & Parcel: Post Danmark has agreed a partnership with nationwide convenience stores chain Coop to offer in-store parcel collection. The alliance will see Denmark's designated postal operator installing 300 automated package locker terminals in Coop stores where Internet shoppers can pick up their parcels.

Postmaster General Patrick Donahoe is expected to speak today at the National Press Club in Washington, DC.

ECNET: A Senate vote on the first ever Internet sales tax, which is backed by Walmart, Target, and Best Buy, could come as soon as next week. Internet tax supporters, with backing from Walmart, Macy's, and Best Buy, are hoping a Senate vote will give them enough political leverage to require Americans to pay sales tax whenever buying goods online. This could usher in the first national Internet sales tax ever. According to Reuters, Senate Majority Leader Harry Reid filed a motion on Thursday supporting the proposal. Since Reid filed the motion, the Senate is now expected to vote as soon as Monday on the motion, but it could come later in the week. The way the law now works is that states can only require Internet retailers with physical stores within their borders to collect sales tax. This means that online shoppers are supposed to self-report sales tax when making purchases -- but many don't.

College Park Patch: Rep. Steny Hoyer, D-MD, (Dist. 5) Wednesday thanked Maryland postal workers, some of whom may face increased risk in cases of dangerous substances being mailed in threats against Washington officials.

The Moscow News: Pochta Rossii Chief Executive Alexander Kiselyov has been sacked, Russia's Communications Ministry said Friday, in an apparent response to mounting accusations of inefficiency as Russia's postal service struggled to deal with hundreds of tons of backlogged international packages. Kiselyov has been replaced by Dmitry Strashnov, former CEO of telecoms operator Tele2 Russia, who quit the job on the eve of the purchase of the former subsidiary of the Swedish Tele2 by the VTB Bank. He is the fifth person to head Pochta Rossii since 2007. But the problems at the postal service go deeper than its leadership, an expert said. "Unfortunately, this won't help," Kirill Kabanov, head of the National Anti-Corruption Committee told The Moscow New. "There is still lack of a development strategy, it's connected to corruption." Russia's postal service has increasingly been under fire for delays and inefficiency, with up to 20 percent of correspondences not reaching their addressees on time, according to figures from the Communications Ministry. But problems are exacerbated by a worn-out Soviet-era infrastructure. Out of 42,000 postal departments, 70 percent are operating at a loss. Meanwhile, 65 percent of correspondence is still sorted by hand, according to RIA Novosti. Last week, the government ordered Pochta Rossii to be transferred under the direct control of the Communications Ministry in an attempt to improve efficiency, according to an official statement posted on the government's site.

Washington Post: "Screening mail for biological agents"

Albany Times Union: The New York State Department of Labor (DOL) today announced the criminal convictions, by the U.S. Attorney for the Northern District of New York, of seven United States Postal Service employees in New York for stealing unemployment insurance benefits. The DOL identified more than 60 persons employed by the USPS as mail carriers, mail processing clerks or casual laborers who collected more than \$425,000 in Unemployment Insurance benefits while working for the Postal Service. More than 20 of these cases were referred to the United States Attorney's Office Northern District for criminal investigation and prosecution. Today's announcement is the first of what are expected to be additional arrests resulting from this investigation. Governor Andrew M. Cuomo said, "Unemployed New Yorkers and businesses are the real victims of scammers who take advantage of the unemployment insurance system. Fraud against our unemployment insurance system will not be tolerated. We will continue to put our efforts into preventing and investigating instances of fraud against the system."

Exceptts from a letter from Sens. Thomas Carper and Tom Coburn to PRC Chairman Ruth Goldway:

In correspondence last year, the amount of time and resources at the Commission devoted to travel was called into question, particularly as it appeared to struggle at times to fulfill its higher-priority statutory responsibilities in a timely manner. You were urged to limit such trips to what was only truly necessary, and to better document the ways in which the Commission explored other options — such as phone, videoconference, fax and email — to conduct business. We appreciate the changes you recently made to the Commission's travel policy intend to control travel spending and encourage Commission staff to utilize more cost-effective alternatives to travel.

We write to ask that you provide the Committee on Homeland Security and Governmental Affairs a detailed update on the Commission's travel expenses and the implementation of your travel policy changes. As a follow-up to information you provided last year, please provide a list of all trips made in calendar years 2012 and 2013, as well as projected travel for the remainder of the current calendar year. Please include the actual, or for future travel, estimated cost of each trip; the list of Commission staff and/or commissioners included in such travel; an itinerary for each trip; documentation that presents any consideration by the Commission as to other options for conducting the same business, if available; and a description of how such trip lead to improvements of the Commission's work, the United States Postal Service, or fulfilled a statutory requirement.

Finally, please also supply the committee a list of any conferences for which the Commission funded sponsorship, and the amount of such sponsorship costs, in the five most recent fiscal years.

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

- The Postal Service has developed a group of reports designed to help mailers track the performance of their mailings based on data collected from mail processing equipment and other sources. Do you know how your mailings are performing? Join the Association for Postal Commerce for a FREE webinar on Wednesday, May 1, 2013 at 1:00 Eastern as Arlene Zisow, USPS Business Mail Support Analyst, and Steven Krejcik, Director of Strategic Technical Business Development for Pitney Bowes Presort Services, Inc. describe how to navigate the Microstrategy reports. You will get a good understanding of the report data elements, and how the reports can be used to improve mail and data quality.
- The Postal Service has filed with the Postal Regulatory Commission this week a notice of temporarily adjusting the prices for several market-dominant products within First-Class Mail, Standard Mail, Periodicals, and Package Services. This adjustment will take effect on June 1, 2013, and expire at the close of May 31, 2014. The Postal Service will offer a Full-Service Intelligent Mail Barcode Technology Credit Promotion ("Technology Credit Promotion"), which will provide mailers with a one-time credit toward their mailings that employ Full-Service Intelligent Mail barcodes (IMb).

- The USPS earlier this week finally provided an early copy of its long-awaited final rules pertaining to the implementation of IMb Full-Service requirements for automation price eligibility to take effect January 26, 2014. The USPS has sent the rule to the Federal Register and expects it to be published there shortly. The rules detail more of the requirements for IMb Full-Service, which will be required for automation prices for First-Class Mail postcards, letters and flats, Standard Mail letters and flats, Periodicals letters and flats, and flats mailed at Bound Printed Matter (BPM) prices. The USPS further noted that the 10/24 transitional barcoded tray label format will be eliminated and mailers will be required to use the 24-digit Intelligent Mail barcode (IMb) on tray, tub and sack labels.
- This week, thee Committee on Oversight and Government Reform, U.S. House of Representatives held a hearing, "Options to Bring the Postal Service Back from Insolvency".
- The USPS OIG believes that "[v]irtual PO boxes would create opportunities for customers and businesses to manage the physical delivery of mail and parcels in the same way they manage digital communications. Virtual PO boxes with online management would also give users additional control over their mail turning the mailbox into a powerful tool to manage goods and information. Their paper identifies both potential features and challenges associated with virtual PO boxes."
- IDEAlliance to hold Postal-Digit Summit. Postal reform still at least several months off. Editorial: Congress fails Postal Service. Interest groups win out over Postal Service reform. Congress refuses to allow USPS to fix its budget woes. NAPS declines USPS' request to return to pay consultations. Solving the Postal Service's problems. Lawmaker: Postal reform bill coming 'very soon.'
- Updates from the Federal Register that affect the mailing industry.
- Updates from the Domestic Mail Manual.
- An update from the USPS Office of Inspector General.
- Postal previews.

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



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Reuters: The U.S. lobbying forces that defeated a Postal Service plan to end Saturday delivery to reduce its annual deficit are now using their Capitol Hill clout to pass a law to make six-day delivery mandatory. A bill mandating six-day delivery begun in the Oversight Committee in January has gained momentum and now boasts 175 cosponsors. It is yet another sign of the growing influence of interest groups and postal employee unions who constitute a powerful lobbying force on Capitol Hill. The group, which includes lobbyists for greeting card companies, the newspaper industry and letter carriers unions, spent more than \$1 million last year to thwart the Postal Service's plan. Rush said her association's fight kicked into higher gear last month when more than 100 members visited lawmakers to support six-day delivery. "This is how laws are made," said Rush. Rafe Morrissey, the Greeting Card Association's vice president for postal affairs and a Hallmark lobbyist, said the coalition mobilized urgently after the Postal Service announced its plans. Lobbying records show that last year, the National Association of Letter Carriers, National Rural Letter Carriers' Association, Greeting Card Association and Envelope Manufacturers Association spent nearly \$1 million combined pushing for six-day delivery. The three major postal unions also poured a total of more than \$7 million last year into the re-election campaigns of key congressional supporters, according to data on OpenSecrets.org.

Chicago Tribune: A lobbying juggernaut that includes the the greeting card industry, newspaper publishers and the postal workers union is back on Capitol Hill seeking legislation to make six-day mail delivery mandatory. Tonya Rush, president and chief executive of the Newspaper Association, said some interest groups realize the Postal Service is trying to find solutions to financial losses that totaled \$16 billion last year. "Even though we're in agreement with the Postal Service in many of the things that they're trying to do. This is one in which we disagree," he said. Backers of the Postal Service plan blamed lobbyists for defeating the five-day-a-week proposal.

IT World Canada: Canada Post yesterday announced that is has inked a partnership with Woburn, Mass-based IT services provider OFS Global which aims to streamline and speed-up delivery of goods to online shoppers. The agreement will result in the integration of OSF's Demandware e-commerce platform for online retailers which includes tools for merchandising and catalog management as well as site configuration and Canada Post's Web services as well as retail and delivery network. Retailers can use Demandware to create and launch their e-commerce Web site themselves or use a Demandware partner to facilitate the launch.

Buffalo News: The U.S. Postal Service has given up its plan to drop Saturday mail delivery, at least for now. Although many Americans may breathe a sigh of relief over the decision, the fact is that the issues that led to the effort remain. The Postal Service is a financial basket case and Congress, which blocked the discontinuation of Saturday delivery, holds much of the blame. The digital age upended the business models of many industries, including that of mail delivery. So, fine. The Postal Service is bleeding money and, unlike any other industry punished by the Internet economy, it is prohibited from responding. What next?

Press Republican: Congress has rebuffed the U.S. Postal Service on its plan to drop Saturday mail delivery in order to get expenses into a break-even situation. As always, in a business that can find no other avenue for remedy, it will now turn to its labor force for concessions. The long-beleaguered USPS has been looking, for many years, for ways to restore solvency. As anyone who has run any kind of an enterprise will attest, there are but two ways: raise revenues or cut costs.

Post & Parcel: The Postmaster General said that if Congress delayed legislative reforms any further, "the day may come when we have insufficient cash to pay our employees or suppliers". He suggested that talk of USPS being insolvent was already pushing customers to seek alternatives. Barnett said that by 16th October, the Postal Service would have two days' worth of operating cash available according to current calculations. Only the subsequent Christmas rush would allow operations to continue. USPS will not be making its \$5.5bn payment for its retiree health benefits fund due this September, he said.

Fierce Government: The U.S. Postal Service needs to cut Saturday delivery, revise its employee healthcare plan and give more power to the board of governors if its to be financially sustainable, Postmaster General Patrick R. Donahoe said during an April 17 House Oversight and Government Reform Committee hearing.Donahoe outlined other ways to cut costs including USPS health care plan reform. Currently USPS spends \$13.4 billion a year on health care benefits for its employees, Donahoe said, which is about 20 cents of every dollar USPS makes. By moving away from the Federal Employee Health Benefits program and allowing USPS to sponsor its own healthcare plan, the Postal Service would save around \$8 billion each year through 2016, Donahoe said. A USPS health care plan would eliminate the need for future scheduled retiree health benefits repayments ranging from \$5.6 billion to \$5.8 billion annually, Donahoe said.

Hindustan Times: If you thought letters are fast becoming history due to mobile phones and emails, think again. Postal department's revenue from mail services has increased, thanks to business letters. More than 637 crore letters were sent out in the financial year ending March 2012. The department earned revenue of Rs. 2,940 crore for the year ending March 2012 from its mail services, an increase of about two percent over the previous year's sales. "Personal mails have declined due to increase in coverage and availability of mobile phones and also due to emails. However, letters sent out by corporates have increased," said Kavery Banerjee, member (Technology), postal service board.

Washington Examiner: Making a profit by delivering goods and services that consumers want to buy at a given price is the first goal of any business. If consumers aren't interested, the business goes under. But that's not the model the U.S. Postal Service follows. The main problem is that the USPS' labor costs are huge. It is the second-largest civilian employer in the country after Wal-Mart. Employee wages and benefits comprise nearly 80 percent of total USPS expenses, which is about \$56 billion spread over 570,000 workers. As the Cato Institute's Tad DeHaven notes, "Studies that have made 'apples to apples' comparisons of postal workers to private sector workers have repeatedly found that postal workers receive a significant compensation premium."

Wall Street Journal: Today, the Council for Citizens Against Government Waste (CCAGW) issued a statement in response to yesterday's testimony by Postmaster General Patrick Donahoe before the House Committee on Oversight and Government Reform on the fiscal straits faced by the United States Postal Service (USPS), CCAGW has long supported Postal Service reform in order to prevent an expensive taxpayer bailout, but Congress has not allowed the USPS to do what is necessary to cut costs.

Maui Weekly: The Postal Service says it's going to stop delivering mail on Saturdays. This won't happen until August, but the overseers of our postal workers in Congress are already swooning. "Outrageous" is the cry rolling through the halls of the Capitol. Can't help it, responds Postmaster General Patrick R. Donahoe. Our postal service is hemorrhaging money, he says, and we have to cut back. Cutting Saturday delivery would save \$2.7 billion a year. I don't know about you, but my mail consists mainly of bills, circulars and requests for money. I can get by with five days of that instead of six. Apparently Congress can't. Many of our lawmakers are fuming. Senate Majority Leader Harry Reid called it "shortsighted" and a "crippling blow."

Examiner.com: Losing \$25 million a day is blamed on a USPS "broken business model" but when one looks at the players in the USPS business, losing the \$25 million a day is no surprise. No business can make money when too many players with too many different interests are involved. One of the players is Postmaster General Patrick R. Donahoe who "entered the Rayburn House Office Building with an entourage a dozen staffers deep. Apparently granted status by association, the aides immediately cut to the front of a long line of regular folks who were waiting patiently, as the polite do, to go through security," reported the Washington Post on April 17, 2013.

DMM Advisory: Implementation of Full-Service Intelligent Mail Required for Automation Prices Our final rule to modify eligibility requirements for mailers to quality for automation prices was published in today's Federal Register. Effective January 26, 2014, use of "full-service" Intelligent Mail® will be required to obtain automation prices for postcards (First-Class Mail® only), letters, and flats when using the following services: First-Class Mail, Standard Mail®, and Periodicals; and for flats mailed at Bound Printed Matter prices. This final rule is the result of an extensive collaboration with the mailing industry.

At the Postal Regulatory Commission:

- R2013-6 Order No. 1702 Notice and Order on Market Dominant Price Adjustment for Technology Credit Promotion Link: http://www.prc.gov/docs/86/86859/Order_1702.pdf http://www.prc.gov/docs/86/86859/Order 1702.docx
- RM2011-3 Postal Service Report Regarding Cost Studies: Response to PRC Order No. 1626 http://www.prc.gov/docs/86/86858/Report Response Order 1626.pdf

WUSA9: The FBI said Wednesday it has arrested a Mississippi man "believed to be responsible" for mailing letters that tested positive for poisonous ricin to President Obama, a senator and another official. Paul Kevin Curtis was arrested at his home in Corinth, Miss., the FBI said. Curtis is "the individual believed to be responsible for the mailings of the three letters sent through teh U.S. Postal Service which contained a granular substance that preliminarily tetsted positive for ricin," the FBI said in a statement.

Federal Times: A key lawmaker plans to introduce comprehensive postal legislation soon, with hopes for final passage by October. "I think we're close," Rep. Darrell Issa, R-Calif., said at a Wednesday hearing of the House Oversight and Government Reform Committee. Asked afterward when he would proceed with a bill, Issa, the committee's chairman, said only "very soon." While lawmakers' previous predictions of progress on a comprehensive bill have not panned out, one mail industry representative said the four-hour hearing left him optimistic. "I got a clear sense that [Rep. Elijah Cummings, D-Md., the committee's top Democrat] and Issa were more than willing to work together, that they both have come to the point in time where they realize something needs to be done," said Gene Del Polito, president of the Association for Postal Commerce, a trade group of businesses that rely heavily on the mail. Sen. Tom Carper, D-Del., chairman of the Senate Homeland Security and Governmental Affairs Committee, also hopes to proceed soon with a bill, a spokeswoman said later via email.

Federal News Radio: Donahoe said the debate over prefunding could be avoided entirely if Congress were to allow USPS to establish its its health care plan. "Rather than worrying about how much to prefund, we need to step back ... and take over our own health care plan," he told

lawmakers. Donahoe said the new USPS health plan could still be contained within the larger Federal Employees Health Benefits Program (FEHBP), but would allow the agency to offer more competitive options and would leverage the "full effects of Medicare," which USPS workers pay into, Donahoe said. "If we did that we are on record, in our testimony, showing that we break even and there is no further need to prefund," he said. "We would provide top-quality healthcare for all the postal employees employed right now and into the future."

The Hill: House Oversight Chairman Darrell Issa (R-Calif.) said on Wednesday that he was "close" to releasing postal reform legislation. Issa said that he and Rep. Elijah Cummings (D-Md.), the panel's ranking member, had been making progress on a bill, and that he hoped they could come together on something that could help negotiations with the Senate. "The reason we're not putting one out right now is that we'd like to get even closer to what we need," Issa said at a hearing attended by the Postmaster General Patrick Donahoe. Both Issa and Donahoe also had more conciliatory words for the other. Donahoe told reporters that he was "very encouraged" by the hearing, and that Issa and Cummings are "very serious about moving ahead." "I'm optimistic. We need to get moving on this," Donahoe added.

Government Executive: Lawmakers and U.S. Postal Service officials on Wednesday largely agreed on the need to reduce the agency's workforce and increase rates where feasible in order for the agency to reach fiscal solvency. Witnesses and members of the House Oversight and Government Reform Committee said during a hearing that USPS must "right-size" its workforce to reduce overhead costs and improve the agency's fiscal outlook. The Postal Service should also use its flexibility to raise rates within pre-set price caps, officials said at the hearing. "I think everyone up here realizes there's going to be some downsizing," said Rep. Elijah Cummings, D-Md., the committee's ranking member. "We want people working, but we don't want to destroy the entity at the same time." Postmaster General Patrick Donahoe said the Postal Service -- which has reduced its workforce by 200,000 over the past several years -- would need to cut an additional 100,000 jobs through attrition by 2016 to get the agency back on sound fiscal footing.

PostalVision eCommerce Bytes: Efforts to reform the U.S. Postal Service, awash in red ink, have been slow in coming. What's more, to hear John Callan tell it, the policy discussion in Washington, such as it's been,

has largely missed the point. Callan, the managing director at the consultancy Ursa Major Associates, is gearing up for the third annual PostalVision 2020 conference, to be held in Washington next Tuesday and Wednesday at a hotel in L'Enfant Plaza, the same section of the District that houses USPS headquarters. Participants from all corners of the debate over postal reform will have a voice at the conference, including labor unions, regulators, Congress and the agency itself. If the event is a success, Callan says, it will "create a truly independent and open and nonpartisan forum to really talk about all the issues and put them all on the table and begin to seriously decide what America really needs and can afford."

Ottawa Citizen: Canada Post says it expects to lose money in the 2013 financial year as it grapples with a combination of "rapidly declining mail volumes" and a growing number of new addresses. The Crown corporation says in the shorter term, it managed to return to a profit of \$127 million before taxes last year. That's an improvement over the \$253-million loss before taxes posted in 2011, which was the first time the postal service had reported a loss in 16 years. The main Canada Post operations also were profitable in 2012, with net income of \$98 million, though it was from \$152 million of adjustments related to the recognition of lower future sick leave and health benefits.

PanArmenian.net: Haypost has launched its new call center with an aim to boost the quality of service and customer interactions at all levels. The call center is equipped with the latest technologies which allow handling multiple calls simultaneously. Interactive Voice Response (IVR) integration ensures distribution of calls by divisions. Additionally, call recording enables monitoring the quality of the service. For that purpose, Haypost has increased the number of the call center staff which was trained to meet the high-quality service requirements.



<u>Art Daily</u>: Carl T. Herrman, a former art director for the U.S. Postal Service, has donated his collection of original artwork and production material used in the creation of U.S. postage stamps that he designed or directed between 1992 and

2008. The material complements the Postmaster General's Collection, a one-of-a-kind philatelic resource with unusual, rare and unique holdings, on long-term loan from the U.S. Postal Service. The donation includes dozens of pieces of original artwork not found in the Postmaster General's Collection and hundreds of art director's working proofs.

From the Federal Register: Postal Service RULES Automation Prices; Full-Service Intelligent Mail Requirements, 23137–23149 [2013–08721] [TEXT] [PDF]

■1011Now: A former postal worker in Lincoln has been indicted in federal court after being accused of stealing cash and gift cards from mail he was supposed to deliver. The U.S. Attorney for Nebraska said Wednesday that 25-year-old Richard Franco, of Lincoln, was charged with one count of mail theft in the indictment. The federal prosecutor says the mail Franco is accused of stealing mail that came into his possession from Nov. 24 through Jan. 8. Franco faces up to five years in prison and a \$250,000 if convicted.

April 17, 2013

Wall Street Journal: 2012 was a challenging year for air delivery & freight services providers such as United Parcel Service Inc., FedEx Corp., Expeditors International of Washington, and C.H. Robinson Worldwide Inc. due to the slowdown in the global economy. The fortunes of air delivery & freight services providers depend heavily on the state of the global economy. Although there have been signs of improvement, the global economy is still not out of the woods as evidenced by recent economic data from China and the U.S. Shares of air delivery & freight services providers ended mostly higher on Tuesday, tracking gains in the broad market. StockCall has released free charting and technical research on these aforementioned companies.

Wired: Forty years ago today, 186 packages were shuffled around a card table and loaded onto 14 Dassault Falcon jets. Next-day delivery history had been made. FedEx's 40-year history is about far more than an unimaginable number of overnight deliveries. It's a case study in creating a service, then pushing technology forward to ensure that service actually works on a large scale. When it absolutely, positively has to be there overnight, you need powerful technology. And sometimes you have to create it.

The Hill: House Oversight Chairman Darrell Issa (R-Calif.) blasted Postal Service officials on Wednesday for not doing more to shore up the struggling agency's finances. Donahoe called the plan to stop Saturday letter delivery a "lost opportunity," and took a shot at lawmakers for dragging their feet.

Bloomberg: U.S. Postmaster General Patrick Donahoe today blamed Congress for not helping to stem billions of dollars in losses while the top House member overseeing the service pointed back, saying management is responsible. Donahoe, in testimony for a House oversight hearing, said congressional gridlock on a bill to overhaul the Postal Service's business model is worsening the agency's financial situation, following a \$15.9 billion loss in the 2012 fiscal year. He called on Congress to ease a requirement that it pre- fund future retirees' health-care benefits, which the service and its unions blame for most of the losses, and to let the service exit the health plan covering U.S. government workers in favor of setting up its own. Representative Darrell Issa, the California Republican who had backed Donahoe's plan to end Saturday mail delivery over objections of much of Congress, countered by saying the Postal Service has itself to blame for its financial predicament.

Wall Street Journal: Employees at three U.S. Postal Service facilities have been warned about potential exposure to a poison that may have been inside parcels intended for President Barack Obama and other elected officials. Postmaster General Patrick Donahoe said Wednesday that the agency is checking with employees at plants in Maryland, Tennessee and Washington, D.C., following positive initial test results for ricin in letters sent to Washington officials, including President Obama and a U.S. senator.

Press Release: Postmaster General Patrick R. Donahoe told a House committee today that the Postal Service is currently operating with a broken business model and the gap between revenues and costs will only get worse in the coming years unless the laws that govern the Postal Service are changed. "Our financial problems are due to the restrictive laws that prevent us from fully responding to changes in consumer behavior," Donahoe testified before the House Oversight and Government Reform Committee. "Any private sector company could quickly adapt to the market changes we have experienced, and remain profitable. However, we do not have all of the flexibility we need to adapt to a changing marketplace." Donahoe said the Postal Service continues to be very aggressive in cost-cutting actions it can take within the law, reducing its cost base by \$15 billion since 2006. "No other organization, public or private, that I am aware of, can claim a similar cost reduction while continuing to function at a high level. And yet, we have to go much further and much faster and we are prepared to do so." The PMG's written testimony is available at: http://about.usps.com/news/testimony-speeches/welcome.htm

House Committee on Oversight and Government Reform: A summary of key points made during the hearing on "Options to Bring the Postal Service Back from Insolvency" Committee on Oversight and Government Reform U.S. House of Representatives has been posted on this site.

ECNN: Government laboratories are testing samples of a suspicious substance found in letters at off-site White House and Senate mailrooms after preliminary test results pointing to the deadly poison ricin rattled Washington, authorities said Wednesday.

Courier, Express, and Postal Observer: Two stories today illustrate how e-commerce is changing the U.S. economy. First, there are indications that demand for shipping boxes is rising fast enough to give the manufacturers of containerboard used to make these boxes sufficient market power to both raise prices and make price increases stick. Second, in its conference call yesterday, Wolverine Woldwide, a manufacturer of a broad range of casual and work shoes and boots stated that nearly 15% of its sales were now sold in a direct to consumer channel.

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

- Research by Finnish TV broadcaster revealed, that Itella ran subsidiaries in so-called tax havens for several years. According to the report by public broadcaster »YLE« (09.04), there are subsidiaries on the Virgin Islands and in Cyprus. The altogether four companies were part of Russian NLC National Logistic Company, which was taken over in 2008.
- Poste Italiane's traditional postal business still remained in the black in 2012.
- Some more bad news for PostNL. Rating agency Moody's lowered the Dutch post's credit rating by one step to Baa3. Now, PostNL is just one step away from the 'non investmentgrade speculative' rating (also known as 'junk bonds'). In addition to this, the agency cutted the outlook to 'negative'.
- Dean-Paul Bailly drew the ire of the French postal union with a recently published statement. In his book 'Ceux d'en haut' (roughly: 'Those up there') the author Hervé Harmon cites La Poste's CEO with the words, 'those aren't La Poste's problems, but the problems of individual employees, which are the result of a combination of restructuring measures at the post, professional failure and fragile character. The suicide rate at our company is even lower than in the rest of the population'.
- A new regulator has been constituted in the Netherlands. The former regulatory authority for communication Opta was merged with the consumer protection authority Consumentenautoriteit and the competition watchdog NMa into the new Autoriteit Consument & Market (ACM). Thus, the government wants to increase the authority's efficiency and save money.
- Feibra, Austrian Post's low cost subsidiary, apparently has ambitious plans in the Hungarian postal market.
- According to reports by the »Huffington Post« (10.04), seven postal employees in the Montreal region committed suicide in the last two and a half years alone. A union representative said that it was not clear 'that all cases are work-related. But I can confirm that our workers are under a lot of pressure. People are working 10, 11, 12 hours a day', the union representative said.
- **⊞**The austerity programme initiated by the Finnish post in 2011 has failed. Instead of reducing

costs by 100m euros within three years (CEP-News 34/11), Itella realised savings of some 53m euros up to now. Therefore, Itella announced a new programme for 2013 and 2014 last week. According to the company, up to 350 jobs will be cut and the corresponding negotiations should start already this week.

The quality of letter mail delivery in Europe exceeded the EU objectives again in 2012. Austrian Post wants to enter the Turkish CEP market. On Monday this week, the post revealed that it agreed to hold exclusive talks with parcel service Aras Kargo over the 'potential acquisition of a minority stake'.

The Norwegian post continued its shopping spree in the logistics industry. On Sunday, Posten Norge disclosed that it acquired a 34% stake in Danish firm Danske Fragtmænd A/S. The company claims to be one of Denmark's leading logistics providers and offers a wide range of products like LTL, FTL, parcel services, hazardous goods transport and warehousing.

Ceska Posta will also use parcel terminals in the future.

The booming online trade apparently pushes the Russian customs authority to its limits. Russian daily news »Komersant« (09.04) reported that 500 tons of parcels piled up at airports in Moscow as the customs authorities were not able to clear them. According to the authority it did not have enough staff to cope with the rising volume of cross border parcels due to cuts which were enacted in 2010.

SingPost also decided to use parcel terminals.

The Portuguese post has to cope with robberies. After the post experienced a series of armed robberies in the last two weeks, CTT Correios now tightened its security measures.

The German government relinquished the blocking minority in Deutsche Post.

Posta Romana announced 'cuts'. Due to the 'decline in mail volume, the staff requirements decreased'.

The wildcat strike at the South African post costs millions.

New Zealand Post now offers a special service for New Zealanders who want to buy from online shops in the USA which don't ship to the Southern Pacific island.



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 Gateway News: The U.S. Postal Service is drowning in red ink -- it posted a deficit of \$16 billion last year -- and it looks like the tide will continue now that one option that could have yielded significant savings has been taken off the table. The postal service had announced plans to curtail six-day delivery by eliminating Saturday mail service, a move that Postmaster General Patrick Donahoe estimated could save \$2 billion. The proposal ran into congressional opposition and, not surprisingly, opposition from labor unions. So the USPS deficit will continue to mount while six-day delivery continues for a dwindling clientele and post offices that ought to be closed remain open. Until the mail service eventually collapses. And then people will wonder why.

PressTV: German postal workers have staged a one-day walkout, aimed at putting pressure on their employers to increase wages. In 17 cities and regions across the country, hundreds of workers, mainly letter carriers, participated in the Wednesday strike, which was organized by the ver.di union. Walk-outs were planned in Berlin, Hamburg and Cologne. The union demands at least a 6 percent increase in wages this year for its 132,000 members.

"Letters and red ink" offered a one-sided view of the situation at the U.S. Postal Service. The editorial noted forecasts that the Postal Service will continue losing business to e-mail and text messaging but didn't mention that the Internet also generates increasing online orders; those deliveries sparked last quarter's profit. It blamed "congressional resistance" for the agency withdrawing its unilateral bid to reduce delivery days but ignored the Government Accountability Office's finding that the Postal Service couldn't override the law. It resurrected the shopworn claim that "Labor arbitrators need not take the agency's financial situation into account when deciding contract disputes." In fact, arbitration proceedings always have considered finances; the law requires inclusion of issues either side raises. Finally, the editorial bemoaned no-layoff clauses and a lack of freedom "to close unneeded post office and mail-sorting facilities," ignoring recent workforce reductions of 150,000 and closings and reduced hours at several thousand facilities.

WorldNetDaily: Even parts of government that look like a business never get run with the efficiency of a business. Just look at the post office. They buy commercials and tout their services the way private businesses do. They offer a service that customers want. Ads by Google New HP® Laptops Save on Powerful Laptops with Intel® Core™ Processors. Shop Now! www.shopping.hp.com Samsung Galaxy S3 on Sale 2013 Big Sale! Further Reduction on Samsung Galaxy S3. Save Big Today. LowerPrices.us/Samsung-Galaxy-S3 But a real business can't get away with losing billions every year. (I guess in the era of bailouts, I should say shouldn't get away with it.) The post office lost \$16 billion last year, despite having all sorts of advantages most private businesses don't have. They have a near monopoly on first-class mail delivery. You want to deliver something to someone? You better not put it in their mailbox − that's illegal. The U.S. Postal Service doesn't pay sales tax or property tax. They don't even pay parking tickets. With advantages like that, how do they lose money? They are part of the government, under the thumb of Congress, and that invites calcified, inefficient behavior.

San Diego Union-Tribune: For three years, Postmaster General Patrick Donahoe has offered proposals on how to stop the U.S. Postal Service from hemorrhaging money, and for three years, Congress has gotten in the way. The latest example may be the most annoying yet. In an era in which mail is dwindling because of email and online bill-paying, Donahoe announced a logical, smart plan to end Saturday mail delivery. Congress responded by passing a continuing resolution forbidding such a change. This is crazy. Congress demands the Postal Service shape up, then gets in the way when it tries to. This daffy status quo has to give way to common sense.

Washington Post: Federal officials discovered Tuesday a poison-laced letter sent to Sen. Roger Wicker (R-Miss.), uncovering the material at an off-site location where congressional mail has been screened since anthrax-laced letters were sent to Capitol Hill in 2001. Senate Majority Leader Harry M. Reid (D-Nev.) and other senators exiting an FBI briefing on the Boston attacks, told reporters that the letter was tested at the facility and came up positive for ricin. Officials gave no indication why the letter was sent to Wicker, a low-profile senator in his second term.

Bloomberg: A letter sent to a U.S. senator from Mississippi contained poisonous ricin, Senate Majority Leader Harry Reid said today, with lawmakers learning of the incident as they were being briefed on yesterday's bombings at the Boston Marathon. Investigators have identified a suspect in the mailing, a person who "writes to a lot of members," Senator Claire McCaskill, a Missouri Democrat, told reporters. The letter was postmarked from Memphis, Tennessee, and tested positive for ricin, Senate Sergeant-at-Arms Terrance Gainer said in an e-mail. Authorities have "no indication" of any other suspicious letters, he said.

<u>BuzzFeed.com</u>: In the wake of envelopes allegedly tainted with ricin being sent to Mississippi Senator Roger Wicker's office, the Senate Sergeant-at-Arms is warning Capitol Hill offices to be vigilant and advising them that mail is being stopped for two to three days in a communication obtained by BuzzFeed. A Postal Sentry device is also being made available to Senate offices to make the opening of mail safer:

National Association of Postal Supervisors: This morning, NAPS received a request from Postmaster General Patrick R. Donahoe to re-open pay consultations between NAPS and the United States Postal Service as a result of the USPS Board of Governor's decision not to proceed with ending six-day First Class mail delivery. The Resident Officers alerted the PMG this afternoon that NAPS will not consent to reopening pay consultations.

The Gazette: Internet entreprenuers and power sellers can make use of a new fast track posting service launched this week. Seventeen Post Office branches in the Blackpool area have launched Drop & Go, the new service that allows business customers to use a fast track pre-paid card to send their mail. Drop & Go aims to be an efficient mailing option for small, local businesses that regularly spend more than £20 a week on postage.

■Hey Congress! Stop blithering and get on with postal reform

Michigan Live: A Flint postal worker was indicted on federal fraud charges after authorities claim she lied to obtain federal workers' compensation benefits.

Printing Impressions: NPES members and their customers in the graphic communications industry will convene in Washington, D.C., June 4-5, 2013, for PRINT'S VOICE '13 meetings with congressional leaders and briefings by policy experts. The 2013 Capitol Hill Fly-In will give participants the opportunity to advocate for a restructured and revitalized U.S. Postal System, pro-growth capital investment tax policy, and free and fair international trade policies.

Internet Retailer: While a print catalog may be justified for a major sales holidays like Mother's Day or Valentine's Day, e-mail and online advertising can be more profitable marketing vehicles for catalog retailers when it comes to lesser events, such as teacher or employee recognition days. Typically, major events warrant printing and mailing catalogs to drive sales because so many consumers are shopping for several weeks ahead of the event. But for other events, catalogers may not be able to justify producing a catalog that draws the attention of fewer consumers who may not shop much in advance for these lesser observances. That's where online tools can help drive traffic to their e-commerce sites.

EFederal Times: Following the collapse of plans for ending Saturday mail delivery, the U.S. Postal Service will explore the possibility of an emergency rate increase and seek additional cost-cutting concessions from its employees. But as both options quickly came under attack, the odds of success on either front seemed dim. The five-member board unanimously agreed last week to cancel plans to shift to five-day delivery the week of Aug. 5. The board said it had no choice after Congress barred the move in the latest federal spending bill. Barnett and Postmaster General Pat Donahoe are likely to be grilled about the decision at a Wednesday hearing of the House Oversight and Government Reform Committee. The hearing's theme is "options to bring the Postal Service back from insolvency." Also scheduled to testify are Gene Dodaro, head of the Government Accountability Office and Fredric Rolando. president of the National Association of Letter Carriers.

Bangor Daily News: The U.S. Postal Service faces a financial death spiral. Burdened by excess infrastructure, outmoded regulations and high labor costs USPS posted an operating loss of \$15.9 billion in fiscal 2012 and is on course to lose an estimated \$7.9 billion in fiscal 2013, according to President Barack Obama's newly issued budget. Postal Service management has declared that, on "any rational analysis," it cannot escape this predicament without curtailing Saturday delivery, which would save an estimated \$2 billion per year. The Obama administration supports five-day delivery. Yet last week the Postal Service gave up on its plan to end Saturday mail delivery, citing congressional resistance. Rational analysis gets you only so far on Capitol Hill. What really counts is interest-group pressure. And the groups that live off the mail — advertisers, postal unions and paper companies, among others — put the squeeze on strategically positioned members of the House and Senate. Now it's anyone's guess how USPS will avoid an expensive taxpayer bailout. The Obama budget includes a plan that usefully advocates both an end to Saturday delivery and an above-inflation rate hike. In return, the administration offers the Postal Service a reduction

in the current requirement that it pre-fund retiree health benefits. The letter carriers' union president griped that Obama did not eliminate the health care pre-funding entirely and said cutting Saturday delivery is "plain wrong."

WKRN: Waiting until the last minute to mail their tax returns turned out to be a bad idea for dozens of Middle Tennesseans who arrived at the main post office in Nashville late Monday night to find out it had closed. For years the post office on Royal Parkway stayed open until midnight. This year the decision was made to close at 9 p.m. because most people now file their taxes electronically. However, last-minute filers that spoke to Nashville's News 2 didn't know that.

The Business Journal: Quad/Graphics Inc. will hire about 165 employees at its new facility in New Berlin, The Business Journal has learned. About 250 full- and part-time employees will work at the facility that will serve as a regional commingling center to drive higher postal savings and efficiencies for direct mail marketing customers, said Don Terkel, Quad/Graphics executive director of operations for the direct marketing group. A third of those employees are being transferred from a Quad/Graphics facility in Pewaukee, he said. The commingling process merges individual mail pieces together to boost presort discounts and "drop-ship savings," thereby shrinking postal handling and delivery time, Quad/Graphics said in a press release.

Printing Impressions: A notice is being issued by the United States Postal Service (Postal Service or USPS) as a Research and Development Request for Information (RFI) Sought. The Postal Service desires to obtain U.S. domestic sources of information to serve as a market survey to aid in exploring opportunities to revise its stamp non-artistic design and manufacturing process. The Postal Service is particularly interested in leveraging advanced or state-of-the-art design and printing technologies available and is also seeking additional potential sources to manufacture stamps. The Postal Service does not presently intend to award a contract, but desires information on capability, experience, innovative methodologies and other information to be used in postage stamp non-artistic design and manufacturing process strategy formulation.

MAILCOM 2013 is just 12 days away. Check out the convention updates at www.mailcom.org.

Wall Street Journal: FedEx Corp. (FDX) and United Parcel Service Inc. (UPS) have said increased security measures in the wake of Monday's Boston Marathon bombings have led to service delays in the Boston area.

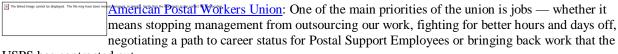
At the Postal Regulatory Commission: R2013-6 United States Postal Service Notice of Market-Dominant Price Adjustment (Technology Credit Promotion)

http://www.prc.gov/docs/86/86853/TechnologyCreditNotice.pdf |
http://www.prc.gov/docs/86/86853/PriceCapAnalysis.xls



- PostalOne!® Release 34.0.0 Deployment is rescheduled for April 21. An extended maintenance window is required to complete all software updates. There will be a PostalOne! ® outage from 12 midnight through 9 a.m. CT, Sunday, April 21, 2013. A mandatory Mail.dat® client download will be available immediately following the software update. Release notes for PostalOne! Release 34.0 can be found on RIBBS by clicking on Major/Minor Release Schedule/ 2013 Releases in the left-hand navigation bar or by going directly to Full Service 2013 Releases.
- PostalOne! Release 34.0 Test Environment for Mailers (TEM) Deployment is rescheduled for Monday, April 22, 2013, and PostalOne! TEM will be unavailable from 7 a.m. through 3 p.m. CT.
- **PostalOne! Release 34.0 Webinar** will be held April 18 at 1 p.m. CT. This webinar for mailers will cover upgrades to the PostalOne! system. Complete webinar information, including log on information, can be found on RIBBS under Intelligent Mail/Education.
- **FAST® Release 24.0 Deployment** is rescheduled for Sunday, April 21, 2013, from 4 a.m. to 8 a.m. CT. FAST® Mail.XML® messages will not be available from 12 midnight to 9 a.m. CT; however, messages

- will be queued during the outage. On-line FAST appointments can still be made from 12 midnight to 4 a.m. CT and then after 8 a.m. CT.
- FAST Release 24.0 Test Environment for Mailers (TEM) Deployment is rescheduled for Monday, April 22, 2013. FAST TEM will not be available from 8 a.m. through 12 noon CT. Contact the FAST Customer Support Desk (by email fast@usps.com or by phone 1-877-569-6614) if you have any problems.
- Full Service Major Outage The Full-Service application will undergo a major system upgrade from Saturday, May 4 through Monday, May 6, 2013, requiring a major outage that will affect Full-Service mailers' ability to access new data (ACS Feedback Reports, Container and Tray Visibility reports, Mail Data Quality reports). On May 7, 2013, Full-Service mailers will again be able to access this data, but the data will not be current until Tuesday May 14, 2013.



USPS has contracted out.

4-Traders: Singapore Post Limited (SingPost) has today launched a free public offering, the POPStation or "Pick Own Parcel Station", that has the potential to revolutionise the parcel delivery in Singapore. These 24/7 smart lockers enable customers to collect their parcels in 5 simple steps, in their own time; be it after office hours, over the weekend or on a public holiday. The rapidly expanding B2C e-commerce industry in Singapore, which saw an estimated market value of S\$1.6 billion1 in 2011, has led to an increase in parcel volumes over the past few years. The growth in Singapore's B2C e-commerce market is expected to continue and it is projected to be worth S\$4.4 billion by 2014.

<u>Daily Press</u>: Taxpayers lined up at New York City's main post office to mail their returns on Monday, but the crowds were a far cry from the days when masseurs once offered back rubs and stilt walkers entertained last-minute filers. The growing popularity of electronic filing means calmer tax days at the James A. Farley Post Office in Midtown Manhattan, which used to offer 24-hour service, postal authorities said

Press of Atlantic City: Filing taxes is an annual routine, but fewer people are waiting until Tax Day to deal with the cumbersome paperwork and get it in the mail. The H&R Block office in Hamilton Township reported it was a busy tax-deadline day Monday, but employees at the Pleasantville location said the office wasn't seeing as many last-minute filings as usual. A large part of the decline is because online filing has picked up, so not as many people come in.

Sacramento Bee: Does Congress have it in for the U.S. Postal Service? It's mind-boggling how Congress, a withering failure on fiscal matters, routinely castigates the Postal Service for hemorrhaging cash, yet continues to subjugate the agency to its own blundering fiscal whims.

Post & Parcel: Russian Post has been working on overtime to prevent a "collapse" of its international mail system under the weight of backlogged e-commerce parcels.

Dead Tree Edition: Complaining about the postal system is a national pastime in the U.S., but looking at the rest of the world can put things into perspective. "The USPS, even with its vast problems, is still the best and cheapest postal system in the world," wrote an unnamed subscriber in a comment published today on Morning News Beat, a grocery industry news site.

From the Federal Register: Postal Regulatory Commission PROPOSED RULES Review of Price Cap Rules, 22490–22501 [2013–08805] [TEXT] [PDF]

April 15, 2013



Full-Service Intelligent Mail Requirements for Automation Prices to the Federal Register for publication. In the meantime, the Final Rule has been posted to the RIBBS website, and can be viewed at https://ribbs.usps.gov/index.cfm?page=intellmaillatestnews. A DMM Advisory will be issued when the Final Rule is published in the Federal Register.

The West Australian: A union representing postal workers has warned of widespread delays in mail deliveries across WA after Australia Post announced an employment freeze last week. Australia Post cited costs and falling mail volumes for the temporary hold on new employment, stating the company recorded big losses over the past five years, including \$400 million in lost revenue and one billion fewer letters.

Courier, Express, and Postal Observer: While the Postal Service may face the inability to make payroll sometime in the future, there is no publicly available information that would identify a specific month or day when that will occur.

Estaten Island Live: America is one of just two countries in the world that doesn't fund their own postal system. The other is Somalia, an African nation with a notoriously dysfunctional rogue government. What makes this profoundly ironic is that the United States Postal Service, a vital institution adrift in a sea of red ink, has been left by Congress to fend for itself. In a typical do-nothing move, lawmakers on Capitol Hill have ignored a USPS request to drop as a cost-saving step the longtime federal ban on five-day-only mail delivery. Rep. Michael Grimm was among the lawmakers who opposed cutting the delivery schedule.

The Nation: House Oversight Committee Chairman Darrell Issa (R-CA) has been fighting to cripple the USPS under the guise of "reform" for years. Issa first went to war with the USPS soon after the American Postal Workers Union (APWU) and the Postal Service reached a collective bargaining agreement that would have guaranteed USPS over \$4 billion in cost savings on employees over the life of a contract. At the time, Postmaster Patrick Donahue hailed the deal as a victory for the Postal Service, its employees and the people they serve. But then, as the union was preparing to vote on the agreement, Issa called a hearing on the contract — a completely unprecedented move. Here was a Republican chair of the Oversight Committee grilling the postmaster general about an agreement upon which a union was currently voting. Issa has had it out for the Postal Service and its union from day one, he consistently heaps the blame for failed negotiations on the USPS. Issa has largely been successful in villainizing the Postal Service precisely because the USPS serves the poor and marginalized.

Free PostCom Webinar on Folded Self-Mailers: Review Your

Understanding Join us for a Webinar on May 7 Space is limited. Reserve your Webinar seat now at: https://www1.gotomeeting.com/register/147180689 We've had several months to integrate the Folded Self-Mailer regulations into our mailing programs, yet there may still be some questions. What paper weight do I use? What's this about panels... and which one should be addressed? What size? Can I still use glue? You can get answers and/or clarifications as you join the Association for Postal Commerce for a FREE webinar on Tuesday, May 7, 2013 at 1:00pm Eastern as Christine Simone, USPS HQ Business Programs Specialist and Craig Vance, USPS HQ Operations Integration & Support, review the regulations: including how to fold, address, and seal Folded Self-Mailers and Un-enveloped Mailpieces. Title: Folded Self-Mailers: Review Your Understanding Date: Tuesday, May 7, 2013 Time: 1:00 PM - 2:00 PM EDT After registering you will receive a confirmation email containing information about joining the Webinar.



Postal-Digital Summit April 25, 2013 8:00am-5:00pm Crowne Plaza Old Town Alexandria, Virginia Registration Information

Information technology is the foundation of the Mail Value Chain – inside the US Postal Service and across print providers to technology partners and customers. Mail is now a digital workflow. As an industry, we must deploy technology to

- Create a more efficient and cost-effective supply chain;
- Develop best practices to speed mail delivery; and
- Establish and utilize specifications to streamline data flow and exchange.

The one-day summit will explore:

- What are the new digital services and how does the mailing industry play a role?
- What is the new ecosystem to support a strong Postal-Digital Value Chain?
- How does digital enable and advance print?
- What is the IT infrastructure of the US Postal Service of the future, and how can the industry advance and support an improved US Postal Service IT infrastructure?
- How can we evolve an open standard process for Mail.dat® and Mail.XMLTM to revolutionize the value chain?
- How do we collaborate and create an agenda for the industry and the US Postal Service?

News Release: Zumbox and Bell and Howell today announced a partnership that joins the Digital Postal Mail service from Zumbox with Bell and Howell's data management, Web and mobile services. Together, the collaboration provides businesses with a complete, turnkey solution that accommodates all delivery preferences—spanning Web, mobile and consolidator channels—offering customers the widest reach across consumer-facing platforms.

Post & Parcel: Business minister Michael Fallon has said the government is pushing for Royal Mail to privatise in some form during this financial year, but insisted that universal service will not be affected.

Manorama Online: UAEs Emirates Post has said that its Express Parcel service saw the second biggest increase of 41 per cent in parcel volumes to India in the first quarter of 2013. The biggest increase of 114 per cent was seen in parcels to China in the first quarter, compared to the corresponding period in 2012. The second biggest destination was India which registered a jump of 41 per cent in parcel volumes, followed by Sudan which saw an increase of 29 percent, Emirates Post said in a statement. Overall, the average growth in parcels to international destinations rose by 19 per cent over the first quarter of 2012.

The Press-Enterprise: Congress should be supporting Postal Service efforts to stop the agency's fiscal bleeding, not obstructing first aid. Legislators should stop blocking plans to trim costs by curtailing weekend mail delivery. But Congress needs to give the Postal Service flexibility to take other money-saving steps, as well, including revamping operations and curbing retirement costs.





The Frederick News-Post: One oft repeated refrain about government is, why doesn't it act more like the private sector? In the case of the U.S. Postal Service, it would very much like to, except that Congress, which has a large proportion of politicians who would argue vocally about government's need to act like a private business, seem dead set against allowing our mail delivery system to make any decisions that would allow it to rein in its massive cost overruns.

The Daily Progress: Escalating debt and an ongoing shift toward electronic payments and smartphone-driven commerce are prompting the U.S. Postal Service to look toward Charlottesville-area businesses to help bridge a broadening service gap. The agency is hoping that businesses will consider opening Contract Postal Units. The units essentially offer the same services at the same prices as a regular post office and they are staffed by employees of the business.

The Market Oracle: You may have heard that the U.S. Post Office lost \$16 BILLION last year. You may also have heard that Congress snuck a requirement into a bill that had nothing to do with the Post Office, mandating that they must deliver on Saturdays, even though eliminating Saturday delivery would save the Post Office \$2 BILLION per year. Congress evidently can't read a financial statement or interpret a chart. I'm sure the trends detailed on this chart will reverse themselves shortly. "One of the things the government can't do is run anything. The only things our government runs are the post office and the railroads, and both of them are bankrupt." – Lee Iaccoca

Delmarva Now: It's not the same as the post office, but a kiosk stocking postal products inside Harborside Grocery and Deli in Ewell has won a stamp of approval from cautious locals in this Smith Island hamlet. Step into Harborside to shop for groceries or to order food from the grill. Or, since winter, purchase postage stamps, shipping boxes or envelopes. Or mail a letter. The market is among 216 locations across rural America that in recent months contracted with the U.S. Postal Service to open a Village Post Office, or VPO. Locations are typically businesses offering postal products and services in communities where post offices do too little business for the financially strapped USPS to keep them open all day.

<u>Watertown Daily News</u>: With little choice, the Postal Service backed off its plan last week saying it would pursue other savings through a possible rate increase and hopefully reopening negotiations with labor unions. The idea was immediately rejected by the National Association of Letter Carriers, whose president, Fredric Rolando, dismissed as "insulting and unnecessary" the idea of renegotiating contracts.

The Times: Royal Mail is heading for a stock market flotation in the autumn, but at a knockdown price of less than £2.5 billion. As in the big privatisations of the Thatcher years, the sell-off of the state postal network will give access to shares for all, while 130,000 Royal Mail workers will receive average stakes in the company of up to £2,000 each.

The Slovak Spectator: While the Slovak postal market became fully liberalised only as of 2012, the fierce competition that reduced prices and increased the quality of services began much earlier with the liberalisation of so-called hybrid mail. But due to its longstanding monopoly position, Slovenská Pošta, the state-controlled mail operator, continues to dominate the mail market. Competition is strongest in the express mail and parcel sectors.

Washington Post: Last week the Postal Service gave up on its plan to end Saturday mail delivery, citing congressional resistance. Rational analysis gets you only so far on Capitol Hill. What really counts is interest-group pressure. And the groups that live off the mail — advertisers, postal unions and paper companies, among others — put the squeeze on strategically positioned members of the House and Senate. They tucked a measure into a recently passed spending bill that was intended to deprive USPS of the legal authority to suspend Saturday delivery; after due consideration, the agency capitulated. Actually, despite its positive features, Mr. Obama's plan is nowhere near the radical overhaul that USPS needs. In his budget, the president expressed the desire to "work with the Congress and postal stakeholders to secure ... necessary reforms." Alas, the "stakeholders" — a.k.a. postal interest groups — are the problem. Unless and until their competing demands are changed, reconciled or overruled, Congress will remain deadlocked, postal reform will remain a non-starter, and billions of taxpayer dollars will remain at risk.

April 14, 2013

Bakersfield Californian: How addicted to spending is Congress? So addicted it'll actually force a government agency to squander \$2 billion a year that the agency would very much like to save. Virginia Democratic Rep. Gerry Connolly, among those who opposed the USPS plan, declared he was happy to see that "the postmaster general (had been directed) to cease his misguided efforts to blatantly disregard the will of Congress and the rule of law itself."

Or, put more plainly, the postmaster general has been thwarted in his desperate efforts to blatantly balance the agency's books and keep it relevant in a market dominated by UPS, FedEx and their for-profit brethren.

The USPS has posted the final rule for IMb Full-Service on its RIBBS web site at https://ribbs.usps.gov/intelligentmail_latestnews/documents/tech_guides/FinalRuleFullService.pdf The document has been sent to the Federal Register for publication, but the USPS has provided the document on RIBBS in the interim.

Conservative Home: Royal Mail rightly has a special place in public affection as an essential part of Britain's economic and social fabric. The iconic red – and glittering Olympic gold - pillar boxes and the one price goes anywhere universal postal service are an important part of our heritage. But as with all institutions, if we are to preserve Royal Mail for the long term then it needs to change to keep with the times.

Los Angeles Times: Regarding private vs. public -- Google is rolling out the fiber network according to what it calls a "demand-driven model." Dividing the community into 202 "fiberhoods," it announced that only those where a certain percentage of residents signed up in advance and paid a \$10 registration fee would qualify for service. The percentages ranged from 5% for dense urban neighborhoods to 25% for spread-out suburbs. The service will cost \$70 a month for Internet, \$120 to include TV. Naturally, the most affluent fiberhoods qualified first. Shortly before the deadline of Sept. 9, 2012, huge swathes of the Missouri city's poor east side were still off the list. An intense drive by community groups rectified that, but 20 neighborhoods, almost all low-income and high-minority, failed to qualify.

Daily Freeman: The key to understanding this mismanagement of the Postal Service by Congress is, of course, to look no further than congressional mismanagement of the nation's overall finances. Congress adopted a sequester strategy to force its own members to face up to its responsibility and make hard decisions about taxation and spending to bring the federal budget into balance. The idea was to make automatic spending cuts so irrational that it was unthinkable anyone in their right mind would ever let those cuts go into effect by failing to reach a responsible agreement. Then, they let the cuts go into effect. Heaven help the U.S. Postal Service in the Digital Age. Lord knows Congress won't.

Yuma Sun: While the Postal Service will undoubtedly continue to try to take cost-cutting steps, the reality is its options are limited and are unlikely to have much impact on reducing its debt level. Congress will not allow it to make the kind of significant changes that are needed to truly keep it afloat as a "private" company. Without these changes, it is inevitable that the Postal Service will not be able to continue in its present form. Some on the postal board are warning it "may become a burden" on the taxpayers.

Newsday: Congress seems determined to cripple the U.S. Postal Service. It has forced the nation's mail carrier to abandon a plan to stem its financial bleeding by eliminating Saturday delivery. The move to five-day-a-week delivery would have saved \$2 billion a year for the agency, which fell \$15.9 billion deeper into the red last year alone. The service doesn't get any money from the government, but Congress refuses to loosen the strings on how it operates. One crushing burden is the \$5.5 billion Congress forces it to spend annually to pre-fund medical coverage for future retirees. No other government agency is required to do that. Congress should back off and give the service the flexibility it needs to respond to the historic drop in mail volume in the Internet era.

The Daily Courier: Neither snow nor rain nor heat nor gloom of night will get Congress to the swift completion of its appointed rounds. In other words, what will it take for our government to finally get the message? Times have changed and the USPS business model is not working. These are the same Washington politicians who continue to spend our taxes and regulate our lives. No wonder there is little trust there. Postal officials said that to restore the service to long-term financial stability, the agency must have the flexibility to reduce costs and come up with new revenues. It is called "an independent agency," since it gets no tax dollars for its day-to-day operations. Nothing independent here, because it remains subject to congressional control. Given these circumstances and the worsening financial condition of the Postal Service, we see little hope until this Congress-wearing-blinders drives the service into the ground.

New York Post: In the time it takes you to read this sentence, the US Postal Service will lose about \$1,500. It loses an absurd \$17,361 a minute — or \$25 million a day. Even the Yankees don't throw away that much money on old and broken things. But the Steinbrenners have nothing on Congress, which this week thwarted the Postal Service's plans to end Saturday mail delivery — a move that would save the USPS a stunning \$2 billion a year.

Logistics Manager: FedEx Trade Networks, the freight forwarding arm of FedEx, has expanded its services in the Latin America region through a series of operational developments. Over the past several months, the company has opened new offices, established alliances with regional service providers and launched new freight forwarding service options as part of its expansion.

This Is Guernsey: Thousands of workers in Crown Post Offices are to stage a fresh strike in a row over jobs, pay and closures. Members of the Communication Workers Union (CWU) will walk out for half a day from next Friday, following a strike last month. The union is campaigning against plans to close or franchise 76 Crown offices – the larger branches usually based in high streets – saying that over 800 jobs will be affected. The CWU is also seeking a pay rise for staff, saying they had not received an increase since April 2011.

Roll Call: The political action committee of the American Postal Workers Union reported it gave \$229,000 to federal candidates and committees during the first quarter of 2013. In 2011-2012 the PAC gave almost \$2 million to federal candidates and committees. The Postal Workers Union had been pushing to keep Saturday mail delivery. The U.S. Postal Service announced this week that it would not eliminate Saturday mail deliver because Congress had barred it. The American Postal Workers Union is still working to postpone consolidations of certain mail processing centers.

Government Executive: At least one lawmaker has set August as the target for passing comprehensive reform to the U.S. Postal Service, according to reports. Sen. Tom Carper, D-Del., chairman of the Homeland Security and Governmental Affairs Committee, told Bloomberg Thursday overhauling USPS is "eminently doable," setting the goal of sending a bill to President Obama by the end of the summer. Rep. Elijah Cummings, D-Md., ranking member of the House Oversight and Government Reform Committee, had previously set the end of March as the goal to pass legislation. Government Executive reported earlier this week. Carper was planning to introduce legislative language for an eventual reform bill "in the near future." A Democratic aide in the oversight committee said "it's impossible to say" what will happen when. While lawmakers have expressed their desire to reach agreement on a bipartisan, bicameral proposal, the aide said, "various people are working on their bills." The House committee will hold a hearing Wednesday to "explore a range of options to avoid a multi-billion dollar taxpayer funded bailout and restore USPS to long-term financial solvency," according a statement put out by Rep. Darrell Issa, R-Calif., the committee's chairman.

The Telegraph: If you have posted a parcel via Royal Mail this week, you may have already realised the impact of a price increase that the postal service says "should be easier to understand and improve choice". Parcels are now priced on both size and weight, and unless a parcel is smaller than 35cm x 45cm x 8cm (with a few exceptions), it will count as a medium or large parcel. This means that the cost of some items will rise dramatically.

Investors Daily: Of all the CEOs in America, Postmaster General Patrick Donohoe may have the most frustrating job. His task is to run the world's largest mail system without taxpayer subsidies and without the range of managerial action typical of the private sector. The Postal Service does have a leg up on potential rivals with its monopoly on first-class mail. But this franchise is getting less valuable as paper mail declines (from 2003 to 2012, the first-class volume fell 31% from 99.1 billion pieces to 68.7 billion). Faced with such a troubled business model, a private firm would cut back overhead and find new business lines with potential for growth. There would be layoffs. Excess capacity would be trimmed. A bank would close branches. A retailer would close stores. A manufacturer would close plants. The Postal Service can do nothing like this. Its payroll costs are largely locked in through union-friendly collective bargaining rules. The greatest favor they could do for the Postal Service may be to end both its monopoly and all the meddling that goes with it. Give it real freedom while opening up the mail business to competition. The post office jokes may cease, and Congress might even gain a measure of respect, if only for getting out of the way. Postal News Blog: FedEx Corp. said it expects a decision "shortly" from The U.S. Postal Service on whether it will continue providing domestic air transportation services for its First-Class, Priority and Express Mail services. The Memphis-based shipping giant disclosed that it anticipates a contract announcement soon in its most recent quarterly regulatory filing.



- "Accessing & Understanding Mail Quality Reporting" Reserve your webinar seat today: https://www1.gotomeeting.com/register/508103937
- The BOG said, "Although disappointed with this Congressional action, the Board will follow the law and has directed the Postal Service to delay implementation of its new delivery schedule until legislation is passed that provides the Postal Service with the authority to implement a financially appropriate and responsible delivery schedule. The Board believes that Congress has left it with no choice but to delay this implementation at this time. The Board also wants to ensure that customers of the Postal Service are not unduly burdened by ongoing uncertainties and are able to adjust their business plans accordingly." "The Board has also asked management to evaluate further options to increase revenue, including an exigent rate increase to raise revenues across current Postal Service product categories and products not currently covering their costs."
- With the USPS' Board decision to delay the implementation of a new delivery schedule, PostCom calls on the Postal Service to share more explicitly its plan to address the pricing of key elements of larger-than-letter size (flats) periodical and advertising mail.
- Here are highlights from the hearing: "Ahead of Postal Reform: Hearing from USPS Business Partners,"
 Subcommittee on Federal Workforce, US Postal Service & the Census, Committee on Oversight & Government Reform, U.S. House of Representatives on April 10, 2013.
- President Obama has put forth his 2014 budget for the federal government. Here are excerpts from the 2014 budget pertaining to the USPS.
- According to Julie Escobar, "Digital world? Well, yes, but we're also a world of people who still appreciate personal touches, tangible visibility and human interaction. Today, people still appreciate getting their mail every day, sorting through it the day it's delivered looking for the good stuff (letters, cards, positive messages, and special offers) anything other than those bills-right? And the truth is there's a lot more real estate in that mail box these days with most folks leaning on email and hoping to make it through spam filters. While email is a great piece of the marketing puzzle, don't discount the power of putting something into the hands of the folks in the market area you wish to dominate."
- Carper responds to USPS BOG vote to delay move to 5-day delivery. Coburn statement on USPS BOG decision to back away from modified delivery. Senator Collins statement on USPS BOG decision. Issa statement USPS reversal of decision to modify six-day delivery. Rep Farenthold chairs hearing focused on USPS customers. 'Congress is killing the Postal Service,' Guffey declares. No 'massive layoffs' at USPS, PMG says. Same day delivery is back, will it succeed this time?
- Updates from the Federal Register that affect the mailing industry.
- Updates from the Domestic Mail Manual.
- An update from the USPS Office of Inspector General.
- Postal previews.

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



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National Association of Major Mail Users: If you mail in Canada, pay attention! Canada Post has created, with the support of industry service providers, a Direct Mail Education and Awareness Program that will provide advertisers and their agencies with informative content, key concepts and case studies that focus on acquisition, retention and customer growth best practices. The educational content will be offered free of charge to industry associations to further the understanding of marketing ROI and cross-media best practices. Many members have already experienced this seminar but here are additional opportunities for those who missed out.

<u>Time</u>: It may seem like the United States Postal Service is unwilling to adapt to a world of declining mail volume and increased digital communication. But the real obstacle in the way of true reform aren't the folks running the postal service itself. It's their bosses in the U.S. Congress. This isn't the first time Congress has stymied the Post Office's plans to reform, either through action or inaction, and it likely won't be the last.

The Day: The U.S. Postal Service, which is losing about \$25 million a day even after cutting 25,000 jobs this year, is left with few cost-saving options short of a congressional overhaul after its board overruled plans to end Saturday mail delivery. The board's decision Wednesday heightens pressure on Congress to allow changes in the service's business model before it runs out of cash, which management has said will happen temporarily in October. Without being able to cut back to five delivery days from six, the Postal Service will take its board's advice and ask its employee unions to renegotiate multiyear contracts, consider asking regulators for an emergency rate increase and cut administrative costs. There is plenty of rhetoric about tackling the deficit, but when it comes to taking action that might actually make a difference, politics trumps action

New York Times: Any doubt about the Postal Service's status as Congressional chattel was dashed Wednesday when it had to retreat from a bold plan to cut most Saturday deliveries.

New Haven Register: Americans support ending Saturday U.S. Postal Service deliveries, and that support isn't subtle. In recent years, separate polls suggested anywhere between 60 and 80 percent supported the end of Saturday service to save costs. The U.S. Postal Service is an independent governmental agency that doesn't take taxpayer funds, but it is completely controlled by the whims of the U.S. Congress, whose members are cowed by their home district post office advocates and the postal workers union. This is the same Congress that passed an unaffordable law in 2006 requiring sizable contributions to a health fund for USPS's future retirees. So we continue to careen between manufactured crises, from panic to panic, with the will of most regular Americans not being served. It's an example that shows that Congress is reliably constant about something.

April 11, 2013

The Week: There is only one word to describe yesterday's announcement that the United States Congress will not permit the Post Office to stop delivering mail on Saturdays: Insanity. Complete and utter insanity, if you prefer four words. Last fiscal year, the USPS lost \$15.9 billion. To be fair, it is not the USPS's fault that it loses such a ridiculously large amount of money. For that, we can blame Congress. Rather than burying its head in the sand and hoping that one day people will start using the mail again, Congress should cut Saturday delivery and spend the savings on job training for the workers who will be thrown out of work as a result. [EdNote: Heck, this is Washington. About the only response you'll see is lobbyists bellying up to the congressional bar with campaign contributions in hand. Drew Pearson's political commentaries from yesteryear were entitled: "The Washington Merry-Go-Round." It was -- and still is -- money that makes it all go 'round.]

Issa Announces USPS Hearing Next Week: House Oversight and Government Reform Committee Chairman Darrell Issa, R-Calif., today announced that he would convene a full committee hearing next Wednesday to examine the future of the United States Postal Service. The hearing will explore a range of options to avoid a multi-billion dollar taxpayer funded bailout and restore USPS to long-term financial solvency. "This hearing will allow us to review a wide variety of options to bring the troubled agency back from insolvency." The modified six-day delivery schedule, announced on February 6th of this year, would've saved USPS approximately \$2 billion per year. Among the witnesses invited will be Postmaster General Patrick Donahoe and members of the USPS Board of Governors, the Presidentially-appointed and Senate-confirmed body that governs the Postal Service. The hearing, entitled "Options to Bring the Postal Service Back from Insolvency," will be held Wednesday April 17th at 9:30 a.m. in Rayburn 2154 and can be viewed online.

Bloomberg: Congressional leaders will begin negotiating next week on bipartisan legislation to overhaul the U.S. Postal Service, toward a goal of sending President Barack Obama a bill by August, a Senate committee chairman said. Tom Carper, a Delaware Democrat, said he's optimistic an agreement can be reached, with the Postal Service's mounting financial troubles becoming obvious to the public."I think it's eminently doable," Carper, chairman of the Senate Homeland Security and Governmental Affairs Committee said, said in an interview today. He said the group

includes Senator Tom Coburn of Oklahoma, the top Republican on his committee; House Government Reform and Oversight Committee Chairman Darrell Issa, a California Republican, and Representative Elijah Cummings of Maryland, that panel's top Democrat. Issa's committee will hold a hearing on the future of the Postal Service April 17.

Now hear this: "This Week In Postal".....the latest podcast posted now!

Digital Journal: From the Association for Postal Commerce:

The Board of Governors of the U.S. Postal Service have decided to delay the USPS' plans to change the frequency of general mail delivery from six to five days, while continuing to provide retails, expedited, and package delivery services. The postal Board has directed postal management to re-evaluate several aspects of its operations, including its contracts and agreements with labor and its postal pricing plans.

Regarding the latter, the Board specifically has asked postal management to evaluate the possible need to call for and implement postal rate increases that exceed the inflation-based limits provided for in the Postal Accountability and Enhancement Act of 2006 (PAEA). Inflation-based limits to postal rate increases has been considered a key hallmark of PAEA, and has been credited for stimulating recent reductions in overall postal costs and enhancing postal operating and costefficiency.

The Association for Postal Commerce (PostCom) has called on several occasions for the Postal Service to share more explicitly its plan to address certain areas that have been the subject of some criticism, particularly the pricing of key elements of larger-than-letter size (flats) periodical and advertising mail. To date, the Postal Service has failed to provide it, Congress, or the Postal Regulatory Commission with any information that could cause one to believe that the Postal Service actually has some plan for improving the cost-efficiency of the preparation, entry, processing, or distribution of flat-size mail either by making changes to its plan processing capabilities or by directing greater cost-efficiencies by way of postal rate incentives to mailers that prepare and enter this mail.

"Before the Postal Service foes off willy-nilly in seeking inflation-cap busting postal rate increases on these mail products, it owes its customers and those who oversee and regulate the Postal Service with greater insight into alternative means for ensuring the mail service prices are sufficient to at least cover mail service costs," said PostCom President Gene Del Polito. "The days in which the Postal Service could get away unharmed by ignoring customer requests and needs is long passed."

"The Postal Service," Del Polito said, "may still hold a monopoly of the carriage and delivery of this mail, but there is nothing in the law that requires businesses to continue using the mail." "Without the business these customers provide," he said, "the Postal Service and the nation will be even more hard-pressed to ensure the nation's continuing postal needs will be satisfactorily addressed."

"Businesses may find it cost-efficient to shift its computing to the cloud," Del Polito points out, "but no business I know relishes planning and conducting its postal business in the fog." "PAEA called for greater accountability from the Postal Service," he said," and not the cloaking of mail processing and pricing plans that can adversely affect the nation's businesses."

Governmental Affairs Committee, issued the following statement in response to the announcement from the United States Postal Service Board of Governors that it has reversed direction in pursing modified Saturday delivery:

"It is unfortunate the USPS Board of Governors has reversed course and further delayed structural reforms that are needed to ensure the solvency and longevity of the postal service," Dr. Coburn said. "Turning away from previous plans to institute a modified Saturday delivery significantly stalls any momentum Postal officials were building to responsibly manage their operation. Instead, Postal officials have succumbed to parochial-minded micromanagers in Congress. We need one postmaster, not 536."

"This reversal cannot continue forever due to the changing business model of mail services. Nevertheless, I look forward to working further with the Postal Service on comprehensive reform that will protect taxpayers and ensure fiscal solvency of the organization."

©Congress should stop blithering and get on with postal reform ≥

Targeted News Service: U.S. Representative Blake Farenthold, Chairman of the House Oversight Subcommittee on the Federal Workforce, U.S. Postal Service and the Census, held the Committee's first postal reform hearing of the 113th Congress.

"The purpose of today's hearing is to give companies that rely on the Postal Service an opportunity discuss how well the USPS is meeting their needs, and see how we can better identify reforms that could make the USPS a better, more efficient, mail provider.

"When business is struggling, even the most basic business course will tell you, look to your customers to see what they want and need. With the USPS losing \$16 billion a year, there is no question they are struggling.

"The Postal Service's financial condition has only grown worse as more mail has continued to seep from the system. While I'm a strong proponent of the benefit of the Internet, the loss of business to e-mail and electronic bill payments is a real issue.

"As I'm sure you've all heard, today the USPS Board of Governors announced their decision to reverse modified Saturday delivery which would have saved \$2 billion dollars annually, and was supported by 7 out of 10 Americans.

"Contrary to the Board of Governor's decision, blaming a Congressional mandate for preventing implementation of modified Saturday delivery, I believe that the modified 6 day delivery met all Congressional requirements for moving forward.

"It still appears there are a number of areas where the Postal Service can find ways to further improve its value while making necessary service adjustments for the 21st century. I look forward to continuing the discussion on what reforms work best for the customer, and for the USPS's bottom line."

During the questioning portion of the hearing, Chairman Farenthold brought up the Negotiated Service Agreement (NSA) that the USPS has made with Valassis Direct mail. A NSA is a special rate deal the USPS gives a mailer as an incentive for them to mail more. Many newspapers, including Chairman Farenthold's hometown newspaper, The Corpus Christi Caller-Times, have raised questions about this NSA as these special "sweetheart" deals the USPS makes with nationwide mailers, like Valassis, create unfair competition for the newspapers who rely on the revenue these mailers generate to distribute news and information in our local communities.

The Nation: Can Americans beat the austerity agenda of Wall Street Republicans and compromise-prone Democrats? Can we prevent deep cuts to essential services? Can we preserve the commons in the face of a full-frontal assault from politicians and pundits who are ever at the ready to attack the public sector and public employees on behalf of their crony-capitalist patrons? Yes, sometimes in the David versus Goliath struggle, David wins. [EdNote: Oh really? Have the anti-austerity Davids beaten the fiscal responsibility Goliaths in Greece, Portugal, Spain, Italy, and Cyprus? Think about it, genius. Everything in life comes at some cost. The question YOU have address is whether you can afford it and are willing to pay for it.]

Post & Parcel: The new postal regulator in the Netherlands today promised to encourage more competition within the postal market. Unveiling its priorities at today's public launch, the Authority for Consumers and Markets (ACM) said today there was room for more competition in certain parts of the postal industry, such as in parcels delivery. Forthcoming legislation will provide the new agency with more tools to improve competitive positions, it said.

Dead Tree Edition: Publishers and other mailers celebrating today's news that Saturday mail delivery will be continued should take another look at the announcement's ominous words. "The Board has also asked management to evaluate further options to increase revenue, including an exigent rate increase to raise revenues across current Postal Service product categories and products not currently covering their costs," today's statement from the U.S. Postal Service's Board of Governors said. [EdNote: As the saying goes: As you sow, so shall you reap.]

From the Federal Register: Postal Regulatory Commission NOTICES International Mail Products, 21633–21634 [2013–08432] [TEXT] [PDF] 21632–21633 [2013–08433] [TEXT] [PDF]

<u>eWeek</u>: A new tablet study from mobile ad network Mojiva offers insights into the fast-growing tablet segment, how the devices are being used and whether advertisers are keeping up with their audiences' changing tastes and technologies.



At the Postal Regulatory Commission:

- National Payroll Hours Summary Report, Pay Period 07 FY 2013
 http://www.prc.gov/docs/86/86833/National Payroll Hours Summary Report Pay Period 07-FY2013.pdf
 http://www.prc.gov/docs/86/86833/Letter_NatlPayroll_PP4-7_FY2013.pdf
- National Payroll Hours Summary Report, Pay Period 04 FY 2013
 http://www.prc.gov/docs/86/86830/Letter_NatlPayroll_PP4-7_FY2013.pdf
 http://www.prc.gov/docs/86/86830/National Payroll Hours Summary Report Pay Period 04-FY2013.pdf
 http://www.prc.gov/docs/86/86830/National Payroll Hours Summary Report Pay Period 04-FY2013.pdf
- National Payroll Hours Summary Report, Pay Period 06 FY 2013
 http://www.prc.gov/docs/86/86832/Letter_NatlPayroll_PP4-7_FY2013.pdf
 http://www.prc.gov/docs/86/86832/National Payroll Hours Summary Report Pay Period 06-FY2013.pdf
- National Payroll Hours Summary Report, Pay Period 05, FY 2013
 http://www.prc.gov/docs/86/86831/Letter_NatlPayroll_PP4-7_FY2013.pdf
 http://www.prc.gov/docs/86/86831/National Payroll Hours Summary Report Pay Period 05-FY2013.pdf
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April 10, 2013

National Association of Letter Carriers: NALC President Fredric Rolando issued the following statement today, in response to the USPS Board of Governors' announcement that the Postal Service will obey the law and comply with the continuing resolution adopted in March that mandates continuation of six-day mail delivery this year. The Board restated its support for a change to 5-day delivery, but effectively conceded that the postmaster general's claim that he could ignore the CR was wrong.

National Association of Postal Supervisors: National Association of Postal Supervisors President Louis M. Atkins today applauded Sen. Mark Pryor (AR) and Rep. Gerald E. Connolly (VA-11) for their leadership in introducing legislation that assures fairness to all mid-level managers in the United States Postal Service.

Senator Pryor and Rep. Connolly on April 9 introduced the "Postal Employee Appeal Rights Amendments Act" (S. 686 and H.R. 1431), legislation that extends to mid-level postal employees the right of appeal of significant personnel actions taken against them to the Merit Systems Protection Board (MSPB). The MSPB is an independent quasi-judicial agency in the Executive branch that hears the personnel appeals of federal employees and guards the federal merit systems.

American Postal Workers Union: "Congress is killing the Postal Service," APWU President Cliff Guffey declared on April 10. "While Saturday mail delivery has dominated recent discussions, little attention is being paid to other drastic measures the USPS is taking that will significantly delay mail and permanently damage the nation's mail system," he said. Since 2012, the USPS has closed 114 mail processing plants, one third of the nation's mail processing capacity. Reneging on its commitment to lawmakers and communities, the agency announced last month that it was accelerating plans to close even more mail processing facilities. The USPS said it will consolidate 71 plants this year that were originally scheduled for possible closure in 2014. "These closures will eliminate jobs, harm communities, and delay mail delivery every day — Monday, through Saturday," Guffey said. They will drastically curtail local mail sortation and will virtually eliminate overnight delivery. Service standards have already been lowered.

The Hill: President Obama's fiscal 2014 budget calls for letting the U.S. Postal Service roll back Saturday delivery starting in June — quicker than even the cash-strapped agency has proposed. The five-day delivery proposal is part of a string of budget ideas — including a plan to ease the payments that the USPS has to make for future retiree healthcare benefits — that the Obama administration says will save the service more than \$20 billion over a decade.

Sen. Susan Collins: U.S. Senator Susan Collins today issued this statement following the United States Postal Service's announcement that it would delay implementation of its five-day delivery plan:

"It is clear that Congress believes that slashing customer service should be the last resort, not the first option, chosen by the Postmaster General. I have long maintained that cutting service to five-day delivery would drive away more customers, causing postal revenues to decline further, and push the Postal Service into a financial death spiral. It would also cause hardship for the American families and businesses that rely on six-day delivery for everyday needs.

"The bipartisan bill that I coauthored last Congress, the 21st Century Postal Service Act, which received strong support in the Senate, would have directed the Postal Service to implement all other cost savings over a two-year period. Only after that period, if independent auditors determined that such a move was necessary to restore solvency, could delivery be reduced to five days. Before the Postal Service even considers moving to five-day delivery, reducing customer service, and giving up its competitive edge over other delivery services, it should first reduce its other costs."

PostCom Members!! The latest issue of PostCom's "Executive Summary" has been posted on this site.

Accessing & Understanding Mail Quality Reporting Ioin the Association for Postal Commerce for a FREE webinar on Wednesday, May 1, 2013 at 1:00 Eastern Time as Arlene Zisow, USPS Business Mail Support Analyst, and Steven Krejcik, Director of Strategic Technical Business Development for Pitney Bowes Presort Services, Inc. describe how to navigate the Microstrategy reports. You will get a good understanding of the report data elements, and how the reports can be used to improve mail and data quality. Reserve your Webinar seat now at: https://www1.gotomeeting.com/register/508103937

A summary of the key points from witness testimony provided at today's House subcommittee postal oversight hearing has been posted on this site.

Senate Homeland Security and Government Affairs Committee chairman Thomas Carper: Today, Senate Homeland Security and Governmental Affairs Committee Chairman Tom Carper (D-Del.) released the following reaction to the U.S. Postal Service Board of Governors' decision to delay the transition to five-day mail delivery:

"Unfortunately, the U.S. Postal Service continues to suffer unsustainable losses that threaten its long-term viability. These fiscal challenges that have been building at the Postal Service for years – attributable in large part to a reduced demand for hard-copy mail – are eminently solvable, yet Congress and the Administration have failed at every turn to come to consensus around a set of effective reforms. Earlier this year, the Postmaster General announced an aggressive plan to transition to 5-day delivery, which was met with mixed reactions in Congress and across the nation. I remain absolutely certain that the only way to save the Postal Service is for Congress and the President to come together around a set of meaningful reforms to shore up the Postal Service's finances and give it the tools it needs to thrive in the years to come. Even though today's decision by the Postal Service's Board of Governors delays its controversial proposal, the urgent need for the Administration and Congress to work together to save the Postal Service by making hard decisions and tackling controversial issues like Saturday delivery remains. While there may be differences of opinion about how best to solve the Postal Service's financial problems, we should all embrace the goal of enacting legislation that leaves the Postal Service stronger than it is today and better able to navigate through the difficult times it likely has ahead of it."

House Oversight and Government Reform Committee chairman Darrell Issa: House Oversight and Government Reform Committee Chairman Darrell Issa, R-Calif., issued the following statement in response to the United States Postal Service announcement that it has reversed its decision to pursue modified Saturday delivery:

"I am disappointed that the Postal Service has backed away from plans to implement a modified Saturday delivery schedule that polling indicates the American people understand and support. This reversal significantly undercuts the credibility of Postal officials who have told Congress that they were prepared to defy political pressure and make difficult but necessary cuts.

"Just a few months ago, when USPS announced that it would alter Saturday delivery service, it made no mention that this change could only occur if Congress eliminated an old and well-known provision of law. Despite some assertions, it's quite clear that special interest lobbying and intense political pressure played a much greater role in the Postal Service's change of heart than any real or perceived barrier to implementing what had been announced.

"While I will continue to work on comprehensive postal reform legislation that can pass both the House and Senate, this reversal will clearly be a setback to such efforts."

The Board of Governors of the United States Postal Service met April 9th and discussed the Continuing Resolution recently passed by Congress to fund government operations. By including restrictive language in the Continuing Resolution, Congress has prohibited implementation of a new national delivery schedule for mail and packages, which would consist of package delivery Monday through Saturday and mail delivery Monday through Friday, and which would have taken effect the week of August 5, 2013. The Board has also asked management to evaluate further options to increase revenue, including an exigent rate increase to raise revenues across current Postal Service product categories and products not currently covering their costs.

DMM Advisory: April DMM Update. Postal Explorer® (<u>pe.usps.com</u>) is your source for up-to-date mailing standards. The *Domestic Mail Manual* (DMM®) is fully searchable on Postal Explorer and features fly-out menus, cross-reference links, and an extensive subject index. On April 1 we updated our mailing standards to include the following changes:

5-Digit/Scheme and 3-Digit/Scheme Sortation. We revised 235 and 245 to clarify the preparation of 5-digit/scheme and 3-digit/scheme trays. This notice similarly revises DMM 345, 365, and 375 regarding 5-digit/scheme sacking of

- Standard Mail, Bound Printed Matter, Media Mail, and Library Mail flats. We published this information in the March 7, 2013, Postal Bulletin.
- Clarification of Standards Relating to IMpb Use. We revised <u>708.5.1.1</u> to clarify standards relating to the data requirements of the electronic file that mailers submit along with mailings bearing Intelligent Mail package barcodes (IMpb). We published this information in the March 7, 2013, Postal Bulletin.
- New Price Eligibility for 5-Digit Containers Deposited at FSS Facilities. We revised 346.4.0, 366.5.0 and 707.29.0 to provide Destination Sectional Center Facility (DSCF) eligibility for 5-digit containers of bundles of addressed machinable Periodicals, Standard Mail or Bound Printed Matter flats deposited at Flats Sequencing System (FSS) processing facilities. We published this information in the March 7, 2013, Postal Bulletin.
- Promotions and Incentive Programs for First-Class Mail and Standard Mail. We revised <u>709.3</u> to include new promotions and incentive programs that will be offered at various time periods during calendar year 2013 for Presorted and automation First-Class Mail cards, letters, and flats, and Standard Mail letters, flats, or parcels.

We published this information in the March 7, 2013, Postal Bulletin.

- <u>CEP News</u> (Courier-Express-Postal), published by the <u>MRU Consultancy</u>, has reported that:
 - With revenues of over 24bn euros, Poste Italiane remained Europe's second largest postal operator in 2012, too.
 - Up to 30% of bpost's shares could be floated in summer already.
 - In the Netherlands, a political compromise seems to be on the horizon in the dispute about price increases and the suspension of deliveries on Mondays.
 - The British regulatory authority won't change the scope of the universal service for now.
 - The Portuguese post improved its result again, even though its revenues continued to decline in the last year.
 - Even though the mail market has been completely liberalised, the Hungarian regulatory authority is apparently dragging its feet over issuing new licences for the handling of letters weighing less than 50 grams.
 - Declining volumes and revenues have lowered Ceska Posta's result in 2012.
 - Austrian Post has increased its stake in Bulgarian postal service provider M&BM Express effective April 1.
 - After Singapore Post, Royal Mail also quits the joint venture Spring Global Mail.
 - The deadline for offers for the 51% stake in the Romanian post, which is up for sale, has been extended.
 - The Russian post has closed the fourth consecutive year in the black.
 - Just a few days after the announcement, TNT Express confirmed the sale of its domestic transport business in China.
 - DPD did not achieve volume growth in Germany in 2012.
 - Japan's leading CEP and logistics service provider Yamato has further increased its volumes in its parcel business in March.
 - Wal-Mart apparently considers to utilise its customers as delivery staff. According to the plans, customers could register their address with Wal-Mart and then deliver ordered goodsto online buyers on their way back home from a Wal-Mart store.
 - The Estonian post achieved a profit of 2.5m euros (2011: 1.2m euros) on a turnover of 52.7m euros (+9.3%) in 2012.
 - Swiss Post will start with parcel deliveries in evening hours and on weekends in May this year already.
 - PostNL might have reached the statutory coverage ratio of its pension fund in the first quarter of 2013 again.
 - The Hungarian post plans to develop new electronic services by investing a double digit million sum. Last week, CEO Zsolt Szarka announced to journalists that Magyar Posta would invest almost 11m euros in the provision of a hybrid mail system.
 - British CEP service provider UK Mail Group plc. increased its turnover by 11% in the business

year 2012/2013, which was closed at the end of March.

Deliveries of Amazon parcels in Germany will probably be delayed in the next week.

Thousands of the online trader's employees want to go on strike to protest against too low wages.



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.)

Equities.com: Online shopping helped propel revenues at postal service UK Mail last year, as the firm upped its business forecasts yesterday. A boom in online shopping on sites like Amazon and Asos helped the business, which is a rival to Royal Mail, increase parcel volumes by 20 per cent in the three months ending March, against figures a year ago. This surge sent revenues up, as the firm forecast an 11 per cent increase in reported full year revenues for 2012.

The U.S. Postal Inspection Service has updated Publication 166, <u>Guide to Mail Center Security</u>, to provide recommendations that cover the security needs of a broad range of businesses.

From the Federal Register: Postal Service NOTICES Meetings; Sunshine Act, 21422 [2013–08426] [TEXT] [PDF]

Government Executive: A House oversight subcommittee was set to hear from a wide variety of U.S. Postal Service business partners at a hearing Wednesday, as lawmakers continued to negotiate an overhaul to the agency. Representatives from saturation mail companies, trade publications, daily newspapers and postal trade groups were slated to share their perspectives on what is and what is not working well at USPS. They are scheduled to speak before lawmakers on the House Oversight and Government Reform's Subcommittee on Federal Workforce, U.S. Postal Service and the Census. "It is an opportunity for companies that rely on the Postal Service to discuss how well the USPS is meeting their needs, and see how we can better identify reforms that could make the USPS a better, more efficient, mail provider," Blake Farenthold, R-Texas, the subcommittee's chairman, said in a statement. "If the customers are happy, whether they use the Postal Service for their business or personally, they will keep coming back."

April 9, 2013

The Moscow News: Russia's Postal Service has sounded an alarm over some 500 tons of backlogged mail packages, most of them online shopping orders that have not passed through customs due to staffing issues, Kommersant reported Tuesday. Russia's Postal Service Director General Alexander Kiselyov has sent a letter to Customs Service chief Andrei Belyaninov asking him to look into the problem, after complaints from Deutsche Post earlier last month that postal packages sent to Russia were not reaching their destinations. But the backlog of postal packages has as much to do with customs as it does with the postal service, according to Russia's Postal Service.

Post & Parcel: The Netherlands has a new postal regulator as of this month – the Consumer and Markets Authority (ACM). The new independent agency was formed by the merger of three regulators – the country's Consumer Authority, the Dutch Competition Authority (NMa) and the post-and-telecoms regulator, the OPTA.

DMM Advisory: April DMM Update. Postal Explorer® (pe.usps.com) is your source for up-to-date mailing standards. The Domestic Mail Manual (DMM®) is fully searchable on Postal Explorer and features

fly-out menus, cross-reference links, and an extensive subject index. On April 1 we updated our mailing standards to include the following changes:

- **5-Digit/Scheme and 3-Digit/Scheme Sortation.** We revised <u>235</u> and <u>245</u> to clarify the preparation of 5-digit/scheme and 3-digit/scheme trays. This notice similarly revises DMM <u>345</u>, <u>365</u>, and <u>375</u> regarding 5-digit/scheme sacking of Standard Mail®, Bound Printed Matter, Media Mail®, and Library Mail flats. We published this information in the March 7, 2013, Postal Bulletin.
- Clarification of Standards Relating to IMpb Use. We revised <u>708.5.1.1</u> to clarify standards relating to the data requirements of the electronic file that mailers submit along with mailings bearing Intelligent Mail® package barcodes (IMpb). We published this information in the March 7, 2013, Postal Bulletin.
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- Promotions and Incentive Programs for First-Class Mail and Standard Mail. We revised 709.3 to include new promotions and incentive programs that will be offered at various time periods during calendar year 2013 for Presorted and automation First-Class Mail® cards, letters, and flats, and Standard Mail letters, flats, or parcels. We published this information in the March 7, 2013, Postal Bulletin.

From the Federal Register: Postal Regulatory Commission NOTICES International Mail Products, 21171–21172 [2013–08160] [TEXT] [PDF]

Exantipur: With the government's failure to keep up with changes, the state-owned Nepal Postal Service (NPS) is lagging far behind private postal and express mail service (EMS) providers. The NPS, the country's oldest governmental agency, is fast losing customers to the increasing number of national and multinational postal service providers.

New York Times: United Parcel Service has appealed a recent decision by European antitrust authorities that blocked its \$6.7 billion takeover bid for the Dutch shipping company TNT Express.

April 8, 2013

PRNewswire: Valassis continues its 40-plus year tradition of innovation with the next evolution in targeting. Brand.net, a Valassis Digital Company, is driving results for shopper marketing with Geo-Commerce Retail Zone targeting. This new solution builds upon Valassis' 100K+ hyper-local targeting zones generated through the powerful integration of multi-dimensional profile, behavioral and transactional data to identify, locate and connect with high-potential consumer segments at a campaign-specific level.

Denver Post: Obama proposes some \$200 billion in savings outside of health care costs, including a new fee on telecommunications companies and other users of federally licensed communications spectrum and billions of dollars claimed by selling off excess federal properties. They are part of Obama's most recent, spurned budget offer to House Speaker John Boehner, R-Ohio, in December and will be reprised when Obama's budget comes out on Wednesday. Efforts for a "grand bargain" on the budget between Obama and Congress have proven elusive, however, and stand-alone attempts to advance the proposals—including cutting farm subsidies and overhauling the Postal Service—have bogged down as well.

Denver Post: What business gets more customers every year, yet keeps losing money? The U.S. Postal Service delivers mail to 11 million more homes, offices and other addresses than it did a decade ago, even as the amount of mail that people in the United States receive has dropped sharply. That combination may be financially dicey, some analysts say. "The more delivery points they have to service, the higher their costs" in fuel, time spent, etc., says Rick Geddes, associate professor in Cornell University's department of policy analysis and management. "But it doesn't mean their revenue goes up—it doesn't necessarily mean people are mailing more stuff," he says.

Post & Parcel: A new campaign to "Save Our Royal Mail" was launched today by a group led by former Labour spin doctor Mario Dunn, raising concern about postal privatisation in the UK. The campaign wants ministers to provide stronger guarantees that mail services, particularly in rural areas, will be protected if Royal Mail is sold off. Royal Mail and regulator Ofcom told Post&Parcel that guarantees are already in place for affordable mail services and that there are no plans to change the terms of the UK's universal service.

<u>Digital Journal</u>: UPS, DHL, FedEx and LaserShip. There are 100s of private mail carriers that offer low-cost, quick and efficient services to deliver mail, packages, parcels and other items. As these companies generate profits, the U.S. Postal Service (USPS) loses money.

Federal Times: The U.S. Postal Service's board of governors is set to meet tomorrow, according to a spokesman, and a thorny choice will likely dominate the agenda: Let Postmaster General Pat Donahoe proceed with a previously announced plan to end Saturday mail delivery this August, with a projected savings of \$2 billion annually. Or back off—at least for now—to avoid antagonizing members of Congress whose help is needed to pass any long-haul fix for the Postal Service's finances. Among some observers, the betting is that the board will opt for door number two.

Stephen Colbert @StephenAtHome Revenue problem, USPS? Have you considered mail trucks that are also ice cream trucks? You're welcome.

ECNN: In March, nearly 12,000 Postal Service workers left their jobs, according to the Department of Labor. Those retirements helped lower the national unemployment rate, contributing to the nearly half-million people who told a Labor Department survey they were no longer looking a job. Overall, about 23,000 fewer federal employees are working at the Postal Service, compared to last March.

Multichannel Merchant: By the end of 2012, approximately 20% of all ecommerce sessions originated from mobile devices — smartphones and tablets. Projections say that level of consumer activity will increase steadily over the next three to five years. Fifty percent of online purchases could be mobile based by 2014, and become the primary conduit for consumer ecommerce by 2017.

Multichannel Merchant: The launch of AmazonSupply last April was touted by some industry experts as a win for B2B brands eager to claim their share of the online marketplace. According to Forrester research, many B2B brands are predicting that online commerce will soon comprise 50% of their total sales, and AmazonSupply offers a seemingly painless entry point for B2B firms making the leap to omni-channel commerce. The emergence of AmazonSupply is only the beginning of a larger trend in B2B commerce. Recently, Google entered the game with Google Shopping for Suppliers, a site dedicated to channeling relevant (and often paid) search to B2B buyers. With the B2B commerce market expected to reach \$559 billion in sales in 2013, it's clear that Amazon, Google and other players are set on disrupting B2B marketplaces with turnkey commerce solutions and selling opportunities. But despite the apparent convenience and benefits these solutions offer, there are serious questions about whether or not they can provide the flexibility, functionality and independence B2B brands need to effectively compete in the digital space. For example, many B2B firms that leverage AmazonSupply will discover that their storefronts foster customer relationships with Amazon and not the brand itself. So rather than relying on AmazonSupply or similar commerce opportunities, B2B sellers are incentivized to create their own commerce platforms as a way to forge independent connections with customers and prospects.

Fierce Government: Speculation about widespread layoffs if the Postal Service ends Saturday letter delivery is unfounded, Postmaster General Patrick Donahoe said in his State of the Postal Service address April 3. "We have made big changes in this organization and never laid anybody off," he said. Some employees have taken buyouts, retired early or moved to different positions, and more may join them, but the potential loss of 6 day letter delivery won't mean "massive layoffs," he said. The Postal Regulatory Commission, in its annual review of the Postal Service released in March, said the agency has not exhausted its ability to adjust its pricing. It said that, for example, the agency could reduce its worksharing discounts for periodicals, where mailers prepare, sort or transport their items in ways that reduce the Postal Service's costs. For each periodical the Postal Service delivered in 2012, it lost 9.9 cents, up from 5.1 cents in 2007.

<u>The Guardian</u>: Royal Mail denies campaigners' claims that privatising postal service will see first class stamp price reach £1 in three years.

FedSmith: The president's budget proposal now provides for a chained CPI. His proposal follows a similar proposal by the House Republican Study Committee to adopt the chained CPI. With support in both parties for the measure, we can assume there is a possibility that this proposal has an increased possibility of becoming a reality. The chain weighted CPI incorporates changes in both the quantities and prices of products. When it comes to calculating costs for multibillion dollar programs like Social Security, a chained CPI is likely to mean that benefit increases do not rise as much. Over time, benefits, payments, and pensions that are adjusted with CPI calculations could all fare differently under chained CPI rules.

TechCentral: Package delivery locker service Nightline Parcel Motel has struck a new partnership with O2's etail division. Under the deal, O2 customers will be able to to collect their purchase from their nearest Parcel Motel location. Nightline Parcel Motel operates 100 locations across Ireland, where customers collect goods without relying on the conventional postal service. Each locker is opened by a unique PIN number sent to the customer by text message when their delivery is made.

The Baltic Course: Estonian state-owned postal company Eesti Post made a profit of 2.5 million euros in 2012, which was by 108% more than in 2011, LETA/Postimees Online reports.

Sydney Morning Herald: Rival postal services have begun to circle the \$13.1 billion online shopping trade as Australia Post faces a backlash after it increased the cost of its parcel delivery service. Online retailers are furious at the price rises, which came into effect on Monday, saying they make it impossible for small web-based businesses to compete with their foreign counterparts. On social media and the Australia Post website, the national postal service was inundated with complaints over its decision to overhaul the postal system, resulting in additional costs for online sellers of up to 40 per cent. Australia Post said the increase in prices was mostly "less than 7 per cent" and would now include tracking of parcels as standard.

AOL: A new campaign group launched to protect postal services has warned that privatising the Royal Mail could lead to higher stamp prices, fewer deliveries in the countryside and "rocketing" costs to small businesses. Save Our Royal Mail, set up by groups representing the countryside, the elderly, small firms and the blind, urged the Government not to "rush headlong" into a sell-off. A £1 first class stamp might not be far off if prices were no longer regulated and become eligible for VAT, said the group. The campaigners also warned that free postal services for the blind would be under threat, a freepost service to British forces could be scrapped, and the Royal Mail's iconic red pillar boxes could be lost.

Post & Parcel: The Universal Postal Union's technical and operational group convenes from today in Berne to begin work following last October's Congress. The Postal Operations Council (POC) comprises representatives of 40 countries, elected at the Congress in Doha, with around 800 delegates expected to attend this week at UPU headquarters. UPU said more than 150 proposals are up for review seeking to amend international postal regulations as the POC meets from today until 19th April.

AMEInfo: In an effort to raise the bar on its services and introduce customer-oriented services, Emirates Post recently hosted a gathering of Strategic Partners and invited them to offer suggestions and ideas for improved services. A questionnaire designed to seek inputs from the partners was distributed on the occasion, and the invitees were asked to provide feedback, to enable Emirates Post to enhance its services. Among the audience were representatives of Mashreq, Standard Chartered, Dnata, Wall Street Exchange, DHL Express and others.

Illawarra Mercury: Price increases by Australia Post for delivery services will make it impossible for Australian websites to compete online with their foreign counterparts, worried business-owners say. See your ad here Australia Post on Monday faced a social media backlash from online shoppers furious over its increased prices for prepaid parcels, which came into effect this week. Across Twitter, Facebook and the Australia Post website, the national postal service was inundated with hundreds of complaints over its decision to overhaul the postal system, resulting

in increased costs for online sellers of up to 40 per cent. Australia Post said the increase in prices were mostly "less than 7 per cent" and would now include tracking as standard.

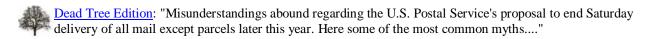
The Telegraph: It would be naive to pretend that prices will not go up. And despite statutory protections, it is also hard to see the long-term survival in its current form of the universal service obligation, which ensures that a letter posted to anywhere in the country costs the same as one sent a few miles. The last Labour government's handling of the Royal Mail was lamentable, and the industry's union representation has long been a byword for head-in-the-sand obduracy. The campaigners are right to say that the postal services are in jeopardy, but it is difficult to make the case for a rethink when, if anything, the privatisation is long overdue.

The Telegraph: Consumers could be faced with having to pay nearly one pound to send a first class letter within three years if Royal Mail is privatised, campaigners say. The claims come from Save Our Royal Mail, a campaign set up on Monday by a number of charities and pension groups to fight this year's expected sell-off of Royal Mail.

<u>Daily Monitor</u>: Courier and postal services Uganda posted 96 per cent growth last year amidst surging numbers of internet users. Although internet users surpassed the 6 million mark by the end of last year, courier and postal services grew as a result of more traffic mainly in the domestic courier sector.

Bloomberg Businessweek: United Parcel Service Inc. (UPS) said it appealed the European Union regulator's January decision to block its 5.16 billion-euro (\$6.7 billion) bid for Dutch rival TNT Express NV.

April 7, 2013



Roll Call: Recent history has shown that congressional efforts to overhaul the U.S. Postal Service brings out the sentimental side of lawmakers: They want to save the quasi-governmental agency from financial ruin, but not at the expense of their dearly loved hometown post offices.

April 6, 2013

Postalnews Blog: "Video: PMG's State of the Postal Service Report to Employees"

Vanguard: Before the advent of internet and Glo bal System of Mobile Communications in Nigeria, communication businesses in the country were mainly transacted through postal services, operated by government. Before 1985, Nigerian Postal Service (NIPOST), was known as Postal and Telecommunication (P&T) which comprised of both Postal and Telecom Operators of the Federal Government of Nigeria. It was the separation of the Postal from Telecom that gave birth to NIPOST and NITEL respectively. However, with the advent of internet and the accompanying social networks like Facebook, Twitter, E-mail, e-transactions and the Global System of Mobile Communications, GSM, postal services are dying gradually. In place of letters, people connect with each other via telephone calls, text messages, e-mails, twitter, facebook and other social media networks. News breaks spread across the world in seconds through the social media networks and less people bother with post office services.

<u>WDTV</u>: U.S. Senator Joe Manchin (D-W.Va.) co-sponsored the Postal Service Protection Act Friday, which will address the United States Postal Service's financial problems, prevent rural post office closures, protect Saturday delivery services and save American jobs.

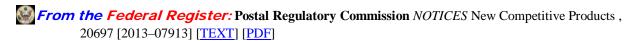
April 5, 2013

Post & Parcel: The largest of the final group of European postal markets that were required to fully liberalise only in 2013, Poland is characterised by relatively low mail volumes per capita, which, commentators have suggested, offers growth potential despite the rising use of Internet communications in the country.

DMM Advisory: IMbTM Services Update . PostalOne! Release 34.0 Webinars — Mailer webinars will be held on April 16 and 18, covering upgrades to the PostalOne! system. Complete webinar information, including log on information and times, will be posted on RIBBS by Friday, April 12.

Attention Postal One! Users:

- PostalOne!® Release 34.0 deployment is rescheduled for April 21. The deployment will require an extended maintenance window to complete all software updates. There will be a PostalOne! outage from 12 midnight through 9:00 a.m CT, Sunday, April 21. A mandatory Mail.dat client download will be available immediately following the software deployment. Release notes for PostalOne! Release 34.0 can be found on RIBBS under the Major/Minor Release Schedule/2013 Releases.
- PostalOne! Release 34.0 Test Environment for Mailers (TEM) Deployment is rescheduled and will occur on Monday, April 22. PostalOne! TEM will be unavailable from 7:00 a.m. through 3:00 p.m. CT
- Financial Times: Partners plans to float part of its stake in bpost, the Belgian postal group, in an initial public offering that could value the company at €2.5bn, according to people familiar with the matter. The private equity group has appointed nine banks to help it sell down its 50 per cent stake and could float as much as 30 per cent of the state-controlled postal service.
- SupplyChainBrain: Same-day delivery, a concept that bombed during the dot-com era of the late 1990s, is back on the loading dock. Major retailers such as Wal-Mart, Nordstrom, eBay, and Amazon.com are all offering sameday delivery in a limited number of locations. FedEx, UPS, and the U.S. Postal Service are partners in these pilots.
- Marion Star: In the range of treatment plans to stanch the hemorrhaging at the U.S. Postal Service, surely the curtailment of Saturday delivery is the least painful. But as with any proposal to change the way the USPS does business, supporters of six-day-a-week mail service are rallying to preserve the status quo.
- Macauhub: Mozambican state mail company Correios de Moçambique plans to expand its business to financial services by opening the postal bank Banco Postal de Moçambique before the end of this year, and which is awaiting a license, the chairman of the company said.



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

- Join PostCom President Gene Del Polito and Postal Regulatory Commission Chairman Ruth Goldway in a discussion about the PRC's recent issuance of its Annual Compliance Determination.
- The Postal Regulatory Commission has released its FY2012 Annual Compliance Determination report. This report reviews the Postal Service's performance in Fiscal Year 2012, fulfilling the Commission's responsibility to produce an annual assessment of Postal Service rates and service. 39 U.S.C. 3653. It is based on information the Postal Service is required to provide within 90 days after the close of the Fiscal Year and on comments subsequently received from the public.
- According to the USPS OIG, "[i]In 1963 the Post Office Department introduced and vigorously promoted the use of the Zone Improvement Plan (ZIP) Code. The code was originally intended to allow mail sorting methods to be automated but ended up creating unimagined socio-economic benefits as an organizing and enabling device. The ZIP Code became a social tool for organizing and displaying demographic information, a support structure for entire industries such as insurance and real estate, and even a representation of social identities as observed in the television series Beverly Hills, 90210. Today, the ZIP Code is much more than a tool for moving mail efficiently, and its positive spillover effects are enormously beneficial to society. Consequently, it is time for the Postal Service to explore new ways to improve the ZIP Code, both to save postal costs and to enhance the opportunity for third party innovators to discover

- new uses and applications. This paper estimates the economic value of the ZIP Code and examines potential enhancements to strengthen it for the digital age."
- The Association of Postal Commerce (PostCom) responded to the Postal Service's proposed rulemaking requiring the use of Intelligent Mail package barcodes (IMpb) or unique tracking Intelligent Mail barcodes (IMb) on all commercial parcels published in the Federal Register on February 26, 2013 New Intelligent Mail Package Barcode Standards to Enhance Package Visibility, Opportunity for Comments in Advance of Rulemaking, CFR Vol. 78, No. 38, 13006-13007 [2013-04302].
- PRC puts out two RPFs. USPS files minor classification change. Google tiptoes into same-day local
 delivery service. Senator Carper responds to USPS' additional consolidations. USPS should charge more
 where it can, reports says. Union wins huge arbitration for clerks in small offices. USPS may hurt its push
 for reform by antagonizing Congress. Newspaper fill delivery gap for Bloomberg. Postal Service turns to
 data to deliver IT results.
- Updates from the Federal Register that affect the mailing industry.
- An update from the USPS Office of Inspector General.
- Postal previews.

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



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El Dorado Springs Sun: Congress foiled the financially beleaguered U.S. Postal Service's plan to end Saturday delivery of first-class mail when it passed legislation requiring six-day delivery. It was added to the legislation to keep the government funded through the summer.

New York Daily News: Bedford-Stuyvesant residents are going postal over their local mail service. Long lines, missing mail and rude staffers at the 1915 Fulton St. post office are driving customers crazy, forcing them to flood the local community board with complaints.

WOAI: By now, you've probably heard that the U.S. Postal Service will keep delivering mail six-days a week. Despite being billions of dollars in the hole, Congress stepped in and killed the agency's plan to end Saturday delivery. So the question many are asking is: why?

April 4, 2013

PostEurop: Today, the social partners of the European Social Dialogue Committee (SDC) for the postal sector signed the "CSR Joint Conclusions on Environment" in the presence of high-level representatives from the European Commission (DG Employment, Social Affairs and Inclusion) and members of the SDC, PostEurop and UNI, to acknowledge the postal sector's social role and commitment to address the environmental issues impacting the industry.

SETX Hompage: The Postal Service wants to end Saturday mail delivery to save two billion dollars a year. But along the way, Congress hit the return to sender button. Congress usually includes a provision each year in the federal budget that requires the Postal Service to deliver mail six days a week. Despite pleas from the postmaster to end Saturday service, lawmakers have included the six day a week measure in the final budget.

<u>Domain Name Wire</u>: It would seem that, other than perhaps finding the objections without merit, the Department of Commerce is a bit miffed that USPS filed objections on its own, possibly without communicating with the DOC.

National Association of Major Mail Users: On June 14, 2013, Canada Post will be introducing two changes to presort mail preparation: (1) The use of Letterflatainers (LFTs) as a presort mail container option will be extended to Standard / Short and Long (S/L) Incentive Lettermail, Addressed Admail and Publications Mail items. (2) A new container label format featuring 2D barcodes will be required on all mail containers of Addressed Admail (both Letter Carrier Presort (LCP) and Machineable Presort) and Publications Mail (LCP). For more information, contact NAMMU.

FedScoop: The U.S. Postal Services handles 160 billion pieces of mail per year and, starting in January, a new barcoding system will allow the agency to know the location of nearly every one of them. For John Edgar, the Postal Service's vice president of information technology, that presents both a tremendous challenge and opportunity as he looks to create systems that manage that flood of information and help the Postal Service refine its business processes and become more efficient. "When that system goes into place there will be a tremendous amount of data," Edgar said. "We'll be able to see the processing efficiency, bottlenecks in the system and much more. We can drive a lot of process change with that data."

Post & Parcel: Austrian Post has taken a controlling stake in the Bulgarian mail company M&BM Express. The national postal operator in Austria, which has a corporate strategy to expand in Eastern and Southeast Europe at the moment, said that as of the start of this week, it has increased its stake in the Bulgarian firm to 51%.

The Republican: While trying to sneak in something as serious as cutting out most Saturday deliveries because of a technicality is perhaps not the best way to go about getting its house in order, postal officials are right to try to force the matter to the fore. Once the fight about the details is over, which it will be, eventually, lawmakers and postal officials will have their work cut out for them. At present, they can't even claim that the check is in the mail.

<u>WHP-TV</u>: Mail volume is down by 25% which translates into a \$25 million 'a day' loss. Postmaster General Patrick Donahoe's announcement in February to eliminate Saturday delivery would, according to Donahoe, save \$2 billion a year, a move hailed by 63% of Americans, according to a recent gallup poll. But then congress stepped in and nixed the idea. Lawmakers don't have the law on their side but it holds the purse strings. Why would the U.S. House of Representatives stand in the way of a business trying to get its financial house in order? Senator Tom Coburn says it's not helping. "It's stupidity and it's parochialism and it's how do I not irritate people rather than do what's best for the country."

MaltaToday: Maltapost has acquired the 'provisional approval' from the Malta Communications Authority (MCA) to introduce further tariff increases during its financial years 2014 and 2015.

Post & Parcel: The UN's International Labour Organisation has said the Canadian government should not end a future postal strike with back-to-work legislation, as it did in June 2011. Ruling on a union complaint last week, the ILO said ministers had set a "dangerous precedent" for labour rights when they passed a bill ordering striking postal workers back to work nearly two years ago. The Geneva-based ILO, a sister agency to the UN-affiliated Universal Postal Union, said Canadian ministers violated the rights of postal workers to freely associate when it brought a month of strikes and lockouts to an end. The ILO's Committee on Freedom of Association was ruling on an August 2011 complaint from the Canadian Union of Postal Workers (CUPW).

From the Federal Register:

Postal Regulatory Commission	
NOTICES	
Negotiated Service Agreements,	
20360 [2013–07787]	[TEXT] [PDF]
New Competitive Products ,	
20360–20361 [2013–07883]	[TEXT] [PDF]

Postal Service NOTICES		
Priority Mail Negotiated Service Agreement,		
20361 [2013–07789]	[TEXT] [PDF]	
20361 [2013–07790]	[TEXT] [PDF]	

EClickZ: Can you imagine how much more powerful email would have been if the United States Postal Service had officially embraced this channel? A stamp of approval from the U.S. Postal Service would have helped them earn revenue and it would also lead to a number of significant benefits to both consumers and brands. Consumers would be more apt to accept something with an official seal of approval. Similarly brands would be forced to ensure that a consumer was truly opted in to receive an email message. Imagine an inbox with significantly less spam. Phishing attacks would now become a federal violation, thus raising the sanctity of email messaging. Brands would be able to track delivery of messages and have the ability to personalize.

AndroidOS: Google has released a small update for the Google Search app for Android 4.1+ devices to add few nifty features to Google Now. The update, which is now available via Google Play, brings real time package tracking from select carriers among other features.

April 3, 2013



At the Postal Regulatory Commission:

- Postal Service Active Employee Statistical Summary (HAT report), Pay Periods 06-07, FY 2013 http://www.prc.gov/docs/86/86782/Hat Report PP 06.pdf http://www.prc.gov/docs/86/86782/Hat Report PP 07.pdf http://www.prc.gov/docs/86/86782/HAT_PP6-7-FY2013_20130403154048.pdf
- On-Roll and Paid Employee Statistics (ORPES), March 2013 (Pay Period 07, FY 2013) http://www.prc.gov/docs/86/86780/ORPES March 2013 PP 07 FY 2013.pdf http://www.prc.gov/docs/86/86780/ORPES PP7 - FY2013 20130403154138.pdf

This Is Cheshire: Great Sankey based United Utilities has agreed a deal to allow customers to pay their water bills at the Post Office for three. The three year agreement, with options to extend for a further four years, started on Monday and will allow customers with the water giant with the choice of paying by cash, debit card or postal order over the counter at Post Office.

Globe Newswire: In an independent survey of affluent recipients of RSVP luxury card packs, recipients indicated they prefer and open the RSVP packs because they "save them money." The study conducted by On Target Research of RSVP direct marketing consumers in three major U.S. markets revealed these major findings: (1) Consumers say they open and enjoy looking through RSVP because it "saves me money." RSVP targets an upscale demographic and it seems clear that this demographic likes to save money. Of the consumers surveyed, 84 percent said they often or sometimes open RSVP packets, and 94 percent said they enjoy looking through them. (2) RSVP drives consumers online. When consumers find a postcard that interests them, the majority will go online to learn more. Even among an older demographic, many go online to get more information about RSVP advertisers: 55 percent of RSVP consumers ages 40-60 years said they would go online and 52 percent said they would call. An Oracle white paper underscores this point by noting that consumers use computers to browse and research, but also go to physical stores; with as many as 30 percent using three or more channels for a single transaction. (3) RSVP has shelf life and is a preferred channel. When consumers find a postcard of interest, they will use it, or save it for future use. In addition, direct marketing consumers selected postcards as a favorite ad format. Epsilon research indicates that 50

percent of U.S. consumers pay more attention to postal mail than email and 26 percent said direct mail is more trustworthy than email.

<u>MyPrintResource</u>: Quad/Graphics, Inc., is strengthening its direct marketing platform and solutions this year with multimillion-dollar investments in mail processing, including creating two regional commingling centers to drive greater postal savings and efficiencies for direct mail marketers; investing in a new custom web press and other equipment upgrades in its Effingham, Ill., plant; and adding print capabilities to its Westampton, N.J., plant.

<u>BizTimes</u>: Sussex-based Quad/Graphics Inc. announced today that it plans to start up a Midwest commingling center in May in a 225,000-square-foot building in New Berlin.

News & Tech: Bloomberg Businessweek said it partnered with Gannett Co. Inc. for delivery of the weekly magazine to 100,000 subscribers in 15 U.S. markets, taking over a service previously provided by the U.S. Postal Service. Bloomberg said it expects GCI will be delivering to nearly 400,000 subscribers — more than 40 percent of its circulation — in 31 markets. Those markets include Asheville, N.C., Central Wisconsin, Cincinnati, Indianapolis and Rochester and Ithaca, N.Y.

Industry Today: Leading consumer delivery specialist Hermes, has announced that its myHermes ParcelShop network has seen a significant increase in the numbers of parcels that it handled last week, as a result of the postal strike over the Easter Weekend. On average in striking areas the increase was almost 10% with some locations seeing volumes double as more people turned to this alternative way to send parcels.

Digital Journal: The US Postal Service is in trouble. It recently announced no more Saturday delivery of letters and magazines as of August 1, 2013. The figures tell the story: Loss of \$15.9 billion in the last budget year (1,3) and default on \$11 billion retiree health benefits prepayments in 2012 (1,2,3). This will no doubt affect businesses that rely on timely delivery for bills, statements, policies, notices and other documents. Email is ready and able to replace the envelope and post stamp – and it's way cheaper.



Welcome to another PostCom Postal Podcast
Join PostCom President Gene Del Polito and Postal
Regulatory Commission Chairman Ruth Goldway in a
discussion about the PRC's recent issuance of its Annual
Compliance Determination.

Post & Parcel: Poste Italiane made net profits of more than one billion euros last year, despite the "weak" global economic environment. The national postal operator in Italy said it made EUR 1.032bn profit on revenues of EUR 24bn in 2012. The company said the results put it among the most profitable postal operators in the global mail industry.

<u>Transport Intelligence</u>: TNT Express announced it has sold its domestic road operations in China (Hoau) to private equity funds under the management of CITIC PE. The sale is part of the company's new corporate strategy which also includes the sale of its domestic express business in Brazil.

Multichannel Merchant: Google announced last week its same-day delivery known as Google Shopping Express in the San Francisco area, according to an article on Mashable.com. Consumers in the San Francisco area can now order items online from nine big retailers when using the Google service. Some of the big retailers include Target, Walgreens and Office Depot and consumers can schedule to have the items delivered later the same day, according to Mashable. Those living in the Bay area have the option to sign up to be one of a limited number of beta testers for the service. If accepted, they will receive six months of free deliveries. Retailers can also apply to be part of the service. Those retailers who are accepted must supply Google with a daily feed of data indicating which items are currently in stock in stores, according to Mashable. TechCrunch reported last month the service could be \$10 to \$15 cheaper than Amazon Prime. Fees could be anywhere between \$69-\$64 offering same-day delivery from than brick-

and-mortar stores like Target, Walmart, Walgreens and Safeway. Google Shopping Express will be a competitor to Amazon Prime, eBay Now, Postmates' and smaller startups like Instacart, according to TechCrunch.

Post & Parcel: Estonian Post has connected up its self-service parcel terminal network to span all of the Baltic Republics. The Post24 service allows Internet merchants to expand their market outside their home market, delivering packages to and from one of 114 self-service parcel locker terminals. Estonian Post (Eesti Post) has 50 machines in Estonia and 35 in Lithuania, while its latest expansion has seen 29 units installed in Latvia.

Tucson News: One of Tennessee's senators is stepping in to stop the U.S. Postal Service from shredding thousands of books donated to the Books from Birth Program. The program sends books to children across the state of Tennessee. But in February, Action News 5 learned USPS was shredding books because it can no longer afford to hang onto books that get returned due to a change of addresses. Senator Lamar Alexander met with people from the Postmaster General's Office last week.

IndiaTV: The Department of Posts today launched e-Post and fax post services in Jammu and Kashmir for transmission and delivery of greetings and messages.

Staffing Industry: The French postal service, La Poste, was sentenced to a record high fine for an employment contract misclassification case, according to a ruling by the Toulouse appeal court pronounced on Thursday 28 March. The court established that La Poste had hired a worker on successive fixed-term contracts (CDD) over the course of 22 years, and was requested to pay as much as €34,000 to the worker and reclassify the employment relationship as an indefinite duration contract (CDI). In France, the use of fixed-term contracts (CDD) is highly regulated. According to the Labour Law, CDD contracts can only be used to replace an absent worker, deal with an unexpected increase in activity, or if the occupation does not traditionally use permanent workers (such as seasonal work); finally a CDD should be aimed at completing a specific and well defined project.

April 2, 2013



At the Postal Regulatory Commission:

MC2013-44 Order No. 1689 - Notice and Order Concerning Minor Classification Change Related to Certain Commercial Plus Pricing Categories http://www.prc.gov/docs/86/86777/Order_1689.docx http://www.prc.gov/docs/86/86777/Order 1689.pdf

<u>Figure</u> The Virginian-Pilot: The U.S. Postal Service has bled cash for so long, and on such a massive scale, that drastic action is required immediately to move it back onto solid financial ground. All that is really necessary is for Congress to let the postal service's leaders steer the organization without politicians micromanaging business decisions. That appears to be too much to ask. At nearly every opportunity, Congress has blocked efforts to stabilize the finances of a business that has doubled for centuries as a unique institution in American culture.

Federal News Radio: The Postal Regulatory Commission (PRC) is requesting a vendor to create a report on the impact of discontinuing Saturday delivery service. This RFP comes despite congressional insistence that the Postal Service doesn't have the power to alter its delivery schedule for first-class mail. The PRC is asking organizations and individuals to help its staff determine the impact of stopping street delivery of letters and flats on Saturday while maintaining the delivery of packages. The PRC also issued a second RFP for analysis on "the costs and contribution of discontinuing the street delivery of letters and flats on Saturdays, while maintaining the delivery of parcels on Saturdays."

Internet Retailing: This year's annual price rise comes alongside a 2.5% fuel surcharge on deliveries made under parcel contracts, and changes to parcel bandings that will remove the 0-750g band into which most Mobile Fun postage previously fell. New categories of small and medium sized parcels will instead come into operation. Small parcels will weigh up to 2kg and measure up to 45cm in length, 35cm in width and 8cm in depth. The category will

also cover parcels that measure up to 16cm in depth, width and length, and cylinder-shaped parcels that measure up to 45cm in length and 8cm in diameter. Medium parcels will weigh up to 20kg and measure up to 61cm in length, 46cm in width and 46cm in depth. Large parcels will be sent through Parcelforce. The walk-up cost of sending a small parcel first class will start from £3 and second class from £2.60, while the cost of sending a medium parcel first class will start from £5.65 and second class from £5.20. Signed-for prices for small parcels start at £4.10 for first class and £3.70n for second class, and medium parcels start at £6.75 for first class and £6.30 for second class. Discounts can be negotiated through a parcel contract but those rates will now incur a 2.5% fuel surcharge. The standard parcel service is being withdrawn as customers will now be able to send parcels weighing between 1kg and 20kg using Royal Mail's second class service. This is, said Royal Mail, "a very meaningful addition to customer choice."

<u>Traverse City Record-Eagle</u>: It's sad to read about the hundreds of picketers outside post offices (March 24) in an effort to save their jobs. It's sad because it didn't have to be this way. Had Congress allowed the U.S. Postal Service to take care of its business a long time ago, this day of reckoning would not be upon us.

Newstalk.ie: If you have already been to the post office today you may have noticed postage prices have changed. From today a stamp for a standard domestic letter costs 60 cent which is an increase of 5 cent. Meanwhile the international rate for a standard letter will rise from 82 cent to 90 cent. ComReg approved the price increases. The body says they were needed to ensure the viability of An Post. The semi-state body estimates that the price change will provide an extra €1 million in revenue in its first full year.

<u>The News Journal</u>: It's time for the Postal Service to monetize its most valuable tangible asset and offer advertising space on the 22 billion stamps it sells each year.

SMEWeb: The postal rate change comes into effect today, April 2nd, yet two thirds (63%) of British SMEs do not fully understand all of the changes - making the potential impact even more prevalent for Britain's struggling SME sector. Although the cost of standard and large stamped mail will not see an increase, the rate change will notably affect the cost of parcels.

The New Indian Express: Demanding the withdrawal of many repressive measures, the Postal Department employees under various unions launched relay fast in front of the PMG office on Monday. They said that many revenue-garnering offices are being closed down. The post offices are being shut down in the pretext of relocating it. The move could be justified if these post offices were garnering less revenue. But it is not. Besides, many posts are being cut down.

Bellingham Herald: The U.S. Postal Service is being held hostage by the federal government. Mail delivery is one service specifically mentioned in the Constitution, so perhaps the feds feel a keen sense of ownership where the post office is concerned. But how can anyone expect delivery services in 2013 to be at the same level as they were in 1983? Times have changed. The way we communicate, pay our bills and even send birthday greetings to each other is way different than it was 30 years ago. Times have changed. The way we communicate, pay our bills and even send birthday greetings to each other is way different than it was 30 years ago. The spending bill passed by Congress in March which mandates six-day delivery is open for interpretation -- and that interpretation may or may not end up in court. One thing that is pretty set, however, is that the postal service absolutely cannot continue with the annual revenue loss of \$16 billion.

Columbus Dispatch: Recently, about 100 current and former postal workers spent a chilly afternoon across from the Statehouse, protesting the idea that Saturday mail delivery might end and there would be less work to go around. But if the U.S. Postal Service can't right its ship — meaning, if Congress won't let it — the future of the Postal Service grows even more desperate.

TeleGeography: Poste Italiane and Wind Telecomunicazioni (Wind Italy) are discussing a possible joint venture involving Wind's fixed line 'Infostrada' network, Poste Italiane CEO Massimo Sarmi told Bloomberg. The state-backed postal company is seeking to develop its data storage, cloud computing and broadband services, and now envisages using Infostrada's network to boost its prospects. In addition, Sarmi said that his company may also be

interested in the long-rumoured spinoff of Telecom Italia's fixed line assets. 'If a new company was created and dedicated to TI networks, we could become a partner of it, potentially acquiring a stake', he said. Finally, Sarmi said that Poste Italiane is also in talks with Brazil's Post Correios with a view to collaborating on the introduction of mobile phone services in Brazil.

April 1, 2013

At the Postal Regulatory Commission: Docket No. RM2011-8 Mail Classification Schedule

The Commission has posted the draft Mail Classification Schedule to its website at www.prc.gov under the Library heading. The document is in Microsoft Word format and may be downloaded. The posting is a prelude to submitting the Mail Classification Schedule to the Office of the Federal Register as a final rule. This filing is anticipated to occur in late April or early May. Go to: http://www.prc.gov/prc-pages/library/mail-classification-schedule/default.aspx?view=mail

The Telegraph: Members of the Communication Workers Union in Crown offices - the larger branches usually situated in high streets - walked out on Saturday in protest at plans to close or franchise 70 sites, as well as over pay. The Post Office said over 100 branches were open despite the strike and accused the union of ignoring the "harsh commercial realities" it faced.

Advertising Age: After a lengthy review, the U.S. Postal Service has tapped McCann to serve as its creative agency of record, awarding the Interpublic Group of Cos.' agency a contract that can last up to nine years. In doing so, the USPS is consolidating a variety of marketing services duties under McCann Worldgroup shops.

FedBizOps:

- Request for Proposal: Impact of Discontinuance on Saturday Delivery RFP PRC-2013-2, Proposals Due April 18, 2013
 - This is a Request for Proposal from organizations and individuals to assist the Postal Regulatory Commission staff in developing a Report on the impact on Postal Service costs and contribution of discontinuing the street delivery of letters and flats on Saturdays, while maintaining the delivery of parcels on Saturdays.
- Request for Proposal: Parcel Market Information for Evaluation of Saturday Mail Delivery RFP PRC-2013-3, Proposals Due April 18, 2013
 This is a Request for Proposal from organizations and individuals to assist the Postal Regulatory Commission staff in developing a Report on the impact on Postal Service costs and contribution of discontinuing the street delivery of letters and flats on Saturdays, while maintaining the delivery of parcels on Saturdays.

Pushing the Envelope: In 1963, the ZIP Code was introduced by the U.S. Postal Service as a means to deliver mail faster and cheaper. Fifty years later, this system has grown to provide unforeseen benefits as an infrastructure that enables commerce and organizes information. However, the ZIP Code was not universally accepted at the onset. To overcome skepticism from consumers and mailers, the Postal Service launched a creative outreach campaign led by a character called Mr. ZIP. This mailman caricature served as the primary advocate for the ZIP Code and increased public support for the idea enough to overcome the initial resistance from stakeholders. Below we interview Mr. ZIP to hear the story of the ZIP Code. As Mr. ZIP mentions in his interview, the Postal Service Office of Inspector General Risk Analysis Research Center has worked with IBM to issue a white paper entitled "The Untold Story of the ZIP Code". This white paper explores the lessons learned from the creation of the ZIP Code and estimates an economic value for the ZIP Code of about \$10 billion annually across the entire economy. Most importantly, the paper presents two enhancements to strengthen the ZIP Code's placement in the modern world: (1) Combine the ZIP Code with the precision of geocodes (latitude and longitude coordinates) (2) Improve the ZIP Codes value in targeting by linking demographic information with the ZIP Code and Utilizing the full ZIP +9 or some variation to offer smaller mailing groupings. Combining the ZIP Code with geocodes could allow easier reconfiguration of delivery routes in real time as well as help align government in assisting disaster

recovery efforts, tracking population "flight paths" to unaddressed areas, and increasing the capability to link demographics to unaddressed areas. Linking demographic information with the ZIP Code and offering smaller mailing groupings would improve target mailings. This would increase the value of mail for senders and receivers by connecting recipients with mail they want to receive and reducing less valuable broad mailings. What ideas do you have for enhancing the ZIP Code to meet the demands of today's ever-evolving society? How might the Postal Service enhance the ZIP Code to gain internal benefits? What enhancements would place the ZIP Code in a better position to provide the innovators and entrepreneurs new capabilities to meet today's demands?

Wall Street Journal: Following years of nearly unchecked expansion, financial institutions across the U.S. are closing thousands of outposts, as pressures mount to cut costs and more customers embrace online and mobile banking. [EdNote: Whaaaat? No union protests? No regulatory approval needed? No congressional outrage?]

Yahoo! News: United Parcel Service Co. gave its chairman and CEO compensation valued at \$10.7 million last year, down 7 percent from the year before, according to an Associated Press analysis. D. Scott Davis got a 3 percent increase in salary, to \$1,049,703, but most of his compensation came in the form of stock awards. The company says those awards went down in value because UPS failed to hit targets for revenue growth, return on investment and other financial measurements. Davis got stock awards worth \$8.7 million on the day they were granted, compared with 2011 awards valued at nearly \$9.5 million.

The Hill: The U.S. Postal Service did itself no favors on Capitol Hill by unveiling its plan to limit Saturday delivery last month, at a time when the agency is still prodding lawmakers for assistance. Congress has long maintained that it has oversight over how frequently the Postal Service delivers the mail, and Postmaster General Patrick Donahoe's decision to move unilaterally rubbed some lawmakers – including Senate Majority Leader Harry Reid (D-Nev.) – the wrong way. Observers both on and off Capitol Hill say the Postal Service's approach didn't win them any new friends at a key time, when the agency continues to push for broader postal legislation.