

#### 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 May 2013

May 31, 2013

trace system. The national postal operator in Denmark said the disruption to its communications systems also meant that customers were unable to contact customer service regarding their inability to track their packages. Despite the problems, the company insisted vesterday that it is now back to delivering letters and parcels on time.

**Post & Parcel:** PostNL will be increasing its prices from the beginning of August, with the basic rate for a domestic letter rising 11% to 60c. The Dutch postal service said the rate increases are necessary to counter the impacts of the country's 8-10% annual decline in mail volumes. Letters going to European destinations will see rates rise to 96c, while letters going to the rest of the world will be charged at EUR 1. Business rates will also increase from 1st August, the company said. The basic rate for franked mail will be EUR 0.52. Despite beginning a "rigorous" series of restructuring effort and cost-saving plans, PostNL said its universal postal service is lossmaking as a result of the large volume declines, while it continues to meet its obligation to guarantee mail delivery within 24 hours and maintain networks of 2,000 post offices and 15,000 mailboxes. The company said as a result,

price increases were "unavoidable".

## **DMM Advisory:** IMb™ Services Update.

- PostalOne!® Release 34.1.0 Deployment is scheduled for June 2 during the regularly scheduled maintenance window and will include several infrastructure changes. There will be a PostalOne!® outage from 4 a.m. to 9 a.m. CT on Sunday, June 2, 2013. During this outage, PostalOne! will be unavailable, including Mail.XML®, FAST® Web Services, and eDOC services. There is no new Mail.dat® client with this release.
- PostalOne! Release 34.1.0 Test Environment for Mailers (TEM) Deployment is scheduled for Monday, June 3, 2013, and PostalOne! TEM will be unavailable from 4 a.m. through 7 a.m. CT.
- Business Customer Gateway/eAdmin Release 4.4 Deployment to Production is scheduled for • Sunday, June 9, 2013, from 4 a.m. to 8 a.m. CT during the regular maintenance window. During the deployment, applications served by the Business Customer Gateway (BCG) will be unavailable. The BCG has been redesigned to simplify the registration process. Release Notes for Business Customer Gateway/eAdmin Release 4.4 will be provided on RIBBS prior to deployment.

Press Trust: The sale of a mail processing plant in downtown Vancouver lifted the Canada Post Group of Companies1 to a profit before tax of \$51 million for the first quarter ended March 30, 2013. If not for the \$109million gain from the sale, the Group of Companies would have had a loss before tax of \$58 million for the first quarter. The Group of Companies reported a loss before tax of \$73 million for the first quarter of 2012.

Pushing the Envelope: "Giving America a Voice: Revenue Generation Opportunities" -- Today's topic in our week-long series on What America Wants from the Postal Service considers ways in which the Postal Service could generate revenue to sustain its operations. The Postal Service's future financial health depends on its ability to generate revenue, as well as cut costs (vesterday's blog topic). In the larger debate about reinventing the Postal Service's business model, the topic of allowing the Postal Service to offer non-postal products and services frequently emerges. Non-postal products and services might help the Postal Service continue to meet Americans' needs in a world increasingly reliant on digital communications. Non-postal services could also contribute to the Postal Service's bottom line through additional revenue, helping it cover the costs associated with providing universal service. Of course, the issue of non-postal services also concerns some people that feel that offering non-postal products creates unfair competition for the private sector. Opportunities for the Postal Service include providing access to government services, such as licenses and permits, allowing for collection of social benefits, or providing options for bill pay at Post Office locations. These types of government services are not too dissimilar from services already available from the Postal Service, such as passport applications. Results of our webbased survey of 5,000 Internet-connected Americans aged 18 years and older indicated that nearly half of respondents expressed interest in having more services available at the Post Office. Most of these respondents were particularly interested in accessing government services such as driver's license renewal services, request for permits or licenses, or paying bills.

The Baltic Course: Latvijas Pasts postal service company's CEO Maris Kleinbergs has handed in his resignation, explaining that he had received, and accepted, a new job offer.

**<u>Professional Pensions</u>**: The Royal Mail Pension Plan (RMPP) is planning to cap members' pensionable pay increases as costs escalate and privatisation looms, all despite a liability transfer to the government.

**Forbes India**: May, 2013 Four American professors sent letters to fake business addresses around the world to see how long it would take for the letters be returned, testing the efficiency of the governments through one of their key services – the postal service. Professor Rafael LaPorta of Tuck School of Business at Dartmouth and his colleagues sent 10 letters to addresses in 159 countries and measured how long it took for the letters to be returned to Hanover, New Hampshire, where the letters originated. Some came back almost immediately, some were never returned at all. Countries often associated with efficient governments such Canada, Norway and Finland all returned each letter within the first month, however so did some countries whom perhaps are not; El Salvador, Uruguay and Barbados. Many of the 42 countries that did not return any letters were in sub-Saharan Africa but also included Russia, Egypt and Cambodia.

Business Wire: Research and Markets (<u>http://www.researchandmarkets.com/research/2vpds7/postal\_services</u>) has announced the addition of the "Postal Services (Global)" report to their offering. This report provides a detailed overview of the Postal Services (Global) market and delivers a comprehensive individual analysis on the top 150 companies. It includes a wealth of information on the financial trends over the past four years.

Radio Free Europe: Belgium's postal service has complained to Azerbaijan's embassy after reports in Azerbaijani media suggested the company had issued an official stamp to commemorate the 90th anniversary of the birth of the late President Heydar Aliyev.

Shreveport Times: The U.S. Postal Service has had a series of stand-up talks over the past month pertaining to several ricin-laced letters, according to the National Association of Letter Carriers' website. Among the latest was one Tuesday after two letters bearing Shreveport postmarks were mailed to New York City Mayor Michael Bloomberg and an office of his Mayors Against Illegal Guns in Washington. Both missives were postmarked May 20.

**Post-Expo**: POST-EXPO provides the most significant opportunity the postal, parcel and express industries have to debate current issues and form business relationships on a global scale. 2013 will be the 17th international conference and exhibition for postal technology, equipment, services and innovation. Over three days POST-EXPO 2013 will bring together CEOs, senior directors and managers, key decision makers, suppliers and buyers from all over the world to exchange ideas and information about the future development of the postal, parcel and express

industries. The POST- EXPO conference and exhibition is a world-class event that attracts over 3,500 attendees from national and private postal operators, express and courier companies, mailing companies and related businesses, with at least 85 countries represented each year.

# From the Federal Register: Postal Service PROPOSED RULES Collect on Delivery Service Features, 32612–32613 [2013–12885] [TEXT] [PDF]

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

- According to postal commentator Gene Del Polito, you wouldn't create a new position on your staff without first writing a description of the job you expect to be done. How then can we shape the Postal Service of the future (or the future of any alternative postal provider) without first specifying the job we expect the to be accomplished?
- Digits or paper? Name your poison, kid. FSS pricing? The devil's in the details. The cost of doing business in New York. Will OPM let the USPS cut the prime beef from FEHB? What's in a name anyway? There they go again . . . . another raid on ratepayers' money.
- Update on industry alerts and DMM changes
- Updates from the Office of the Inspector General
- The Romanian Government extended for 180 days the Romanian Post's privatization deadline, taking into account that no potential investor has bid. Is a 48 per cent rise in the cost of sending a postcard to outside Europe is 'outright theft'? Pakistan Post has facilitated the process of holding free and fair elections. Britain is preparing to privatize Royal Mail. Tata Consultancy Services (TCS) today said it has bagged a six-year contract from the Department of Posts (DoP). The Royal Mail is to keep some post office branches open late as part of a new service aimed at helping customers get their internet-ordered parcels outside of working hours. India Post hit with service deficiency penalty. New European Union rules could force charities to start asking supporters and potential donors to tick a box giving explicit permission to receive direct mail. Royal Mail's financial report for 2012-13 just published shows that its overall operating profits more than doubled over the last year from £152m in 2011-12 to £403m in 2013-13. Azerbaijani-Mail (Azcrpoct Ltd) continues to develop its own network of financial services. Officials from the UK's postal services, Royal Mail, seek to help improve the services of their Cypriot counterparts. The digital revolution is in full swing in the UK and it is clear that online shopping is having a huge impact on the logistics sector. Escher Group got a new contract with Brunei Post. Deutsche Post has filed a complaint with the European Commission against a German law that will require government agencies and public services to use a rival encrypted email system. Royal Mail disappointed with the Communication Workers Union's decision to hold a consultative ballot to understand its members' views on a range of issues. Zambia Postal Services Corporation (ZAMPOST) and Trust Company of Japan will next week officially launch an online sales agency for buyers of second hand vehicles. JSC Kazpochta, Kazakhstan's national postal outfit, made net profits to International Financial Reporting Standards (IFRS) of 945.876 million tenge in 2012, or \$6.3 million at the current exchange rate, which was 17.3% more than it did in 2011.
- Postal previews.

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<u>AZ Central</u>: "What is Catalog Marketing?"

#### AZ Central: "Direct Mail Ideas for Contractors"

**MSN**: A suspicious letter addressed to President Barack Obama and similar to ricin-laced ones sent to New York Mayor Michael Bloomberg has been intercepted by a White House mail screening facility, the US secret service has said. The letter has been turned over to the FBI's Joint Terrorism Task Force for testing and investigation.

This Is Money: During the height of Margaret Thatcher's privatisation drive, businesses ranging from gas to telephones and airlines were spun off to the stock market. But amid the listings and the 'Tell Sid' campaigns one area remained untouched – the Royal Mail. Even Mrs Thatcher thought the business was off-limits, reportedly because it was emblazoned with a royal insignia. But now wheels are in motion to off-load the mail delivery giant to private investors. Ministers aim to parcel up a first class Royal Mail float After more than 15 years in the sorting house, shares in the Royal Mail – which is separate from the Post Office – could finally be available to members of the public.

**Inland Press**: With the postal regulatory battle lost, newspapers are looking to Congress and the courts to stop the discount deal the United States Postal Service (USPS) struck with the big direct mailer Valassis. The National Newspaper Association (NNA) is organizing a summit in March with postal experts and policy makers—including Postmaster General Patrick R. Donohoe—plus an afternoon of lobbying on Capital Hill to try to roll back the so-called Negotiated Service Agreement with Valassis, or at least prevent future NSAs that put newspapers at a competitive disadvantage. And the Newspaper Association of America (NAA) continues to pursue a lawsuit seeking to block the NSA in the U.S. Court of Appeals in Washington, D.C. The court in September denied NAA's petition to stay the deal while it is in court.

Federal Times: The U.S. Postal Service is not taking full advantage of a union-approved plan intended to cut labor costs, a new inspector general audit shows. The two new categories are supposed to help the Postal Service cut labor costs and let managers use workers more efficiently. But while the mail carrier's reliance on such employees has been growing, the numbers were still well below what the contract allowed, according to the audit.

**Press Releaase:** Bell and Howell, a leading provider of solutions and services for paper-based and digital messaging, is pleased to introduce its new Vice President of Service, Jim Feely. "Jim brings over 25 years of industry experience and extraordinary customer relations that will further enhance an already outstanding service organization," said Les Stern, Bell and Howell's CEO and President. Also joining the company is new Executive Director of Service Sales, Howard MacCready. "Howard will ensure that we proactively listen closely to our customers to help them succeed, and that our service offering is relevant to their needs, competitively priced and implemented with full satisfaction," added Stern. Bell and Howell's plan is simple: deliver highly flexible, high-

quality service for a competitive price that evolves with its customers' needs and exceeds customer expectations.



**PostCom Members!!** The latest issue of PostCom's "<u>USPS Service Performance Update</u>" has been posted on this site.

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

- CP2013-23 Order No. 1736 Notice and Order Concerning Modification of 2013 China Post Agreement <u>http://www.prc.gov/docs/87/87088/Order\_No\_1736.docx</u> http://www.prc.gov/docs/87/87088/Order\_No\_1736.pdf
- CP2013-59 United States Postal Service Response to Order No. 1698 concerning Effective Date of an International Business Reply Service Competitive Contract 3 Negotiated Service Agreement http://www.prc.gov/docs/87/87086/CP2013-59 IBRS Order 1698 Response.pdf
- CP2013-62 United States Postal Service Response to Order No. 1730 concerning Effective Dates of a Global Expedited Package Services 3 Negotiated Service Agreement http://www.prc.gov/docs/87/87087/CP2013-62%200rder%201730%20response.pdf

- CP2011-49 Order No. 1734 Notice and Order Concerning Amendment to Priority Mail Contract 33 <u>http://www.prc.gov/docs/87/87083/Order\_1734.docx</u> <u>http://www.prc.gov/docs/87/87083/Order\_1734.pdf</u>
- CP2011-50 Order No. 1735 Notice and Order Concerning Amendment to Express Mail Contract 11 http://www.prc.gov/docs/87/87084/Order\_1735.docx http://www.prc.gov/docs/87/87084/Order\_1735.pdf

**Provident** If you missed the PostCom *Folded Self-Mailer webinar*, you can still listen to the presentation and follow along with the slides. <u>Webinar</u> | <u>Slides</u>.

**Construction** Joseph Corbett, Chief Financial Officer and Executive Vice President, United States Postal Service will present a Webinar for Industry on Wednesday, June 5, 2013, 2:00 p.m. to provide information about the USPS Five-Year Business Plan. To join the online event, copy and paste the following link to a browser:

https://usps.webex.com/usps/onstage/g.php?d=998901503&t=a and Click "Join Now".

According to postal commentator <u>Gene Del Polito</u>, one reality that is abundantly clear during any search for viable alternatives is that you can't devise alternative business postal models if you have left undefined the very mission you expect the enterprise to fulfill. We know one thing for sure. America still needs a viable universal mail delivery system, and preferably one that is self-supporting. But saying that we need a viable universal mail delivery system implies that there surely must be some underlying expectation of the enterprise.

Pushing the Envelope: "Giving America a Voice: How Best to Cut Costs?" -- On Tuesday, we asked what Americans want from their Postal Service. In particular, should the Postal Service continue to serve all areas of the country even if it is not profitable to do so? We continue our series based on our recently released white paper, What America Wants from the Postal Service, by focusing on cost cutting. We ask you to weigh in with your opinion on the best options for the Postal Service to trim costs while maintaining service. Among the Postal Service's main cost-reducing measures are realigning its extensive retail network and its delivery network while providing high levels of service to the American public. Its goal is to optimize the retail network to match customer demand with supply and to focus on reducing unnecessary overhead, while improving service and the customer experience. Our web-based survey asked respondents to consider a handful of cost-cutting initiatives, including options that the Postal Service has never proposed, such as 3-day-week delivery. Results of our survey of 5,000 Internet-connected Americans aged 18 years and older found that more than 70% of respondents indicated a strong opposition to several of our proposed changes, including reducing the hours of operation for post offices, closing sorting facilities (resulting in a delivery delay), and moving to 3-day delivery.

<u>Dead Tree Edition</u>: A study that purportedly shows tablet users' "preference for digital magazines over print magazines" actually suggests that people really don't like tablet magazines. "23% of tablet users prefer digital magazines on tablets over print," says a blog post from Mequoda about its new study "How American Adults Consume Magazines on Tablets." The blog post and trade-media coverage interpret the

data as meaning that tablet magazines are about to enter a boom period. But here's the real news: Three-fourths of U.S. tablet users do not prefer digital magazines to print magazines. Read that sentence again: It doesn't say three-fourths of U.S. Luddites or of adults or of magazine readers; it says three-fourths of tablet users.

Actmedia: The Government decided on Wednesday to prolong with 180 days the Romanian Post's privatization deadline, taking into account that no potential investor bought the Company's presentation file till May 28. 'Given that no potential investor bought the Company's presentation file, it was approved a note on its reshuffle. The privatization deadline is prolonged by 180 days, said Minister Delegate for Budget Liviu Voinea, after the governmental sitting.

**EXAMPLE** Preliminary tests indicate ricin was found in letters sent this past weekend to New York Mayor Michael Bloomberg, New York deputy police commissioner Paul Browne said Wednesday. Browne said the letters to Bloomberg contained a threat to the mayor and mentioned the debate on gun laws.

Postal Technology International: The latest issue of Postal Technology International is now available online.

**Government Executive:** What would happen if the Postal Service and FEHBP part ways? Currently, the approximately 1 million postal employees and retirees collect their health care with all other feds; that is, through the Federal Employees Health Benefits Program. Removing these enrollees -- as well as their dependents -- from the FEHBP would amount to losing about one quarter of the current pool, according to the Office of Personnel Management, which administers the benefits. The Postal Service has touted the switch as economically responsible, alleging it would save the agency \$8 billion annually -- most of which would come from ending the requirement to prefund retirees health care, but \$2 billion of which would come from reduced health care costs.

Lie Of Man Today: A 48 per cent rise in the cost of sending a postcard to outside Europe is 'outright theft'. That's according to Kerry Kemp, a long-standing member of the local Isle of Man Stamp Clubs, which supplies postcards to tourist outlets. The Post Office removed its 10g rate for airmail from April 2, with the charging schedule now starting at 20g. Post weighing up to 10g being sent to the rest of the world which previously cost 80p, now costs £1.19. Mr Kemp said: 'This hike is nothing short of scandalous when you consider that at the same time, they raised the European rate from 71p to 73p, a mere 2.8 per cent.

**WFTV**: ills and statements could be in the hands of an identity thief. Fred O'Neal said his mail stopped arriving at his home, and now, the U.S. Postal Service is working to figure out where it ended up. When O'Neal called the post office to assure it he had not moved, he was told someone may have fraudulently filled out a change-of-address form for his mail. He said he was shocked to hear how easily it can be done. Channel 9's Nancy Alvarez was told, at a local post office, that a person can walk in and fill out the form without showing any identification. The change can also be made online. According to records, about 13 million people use online form every year.

Federal Bureau of Investigation: A Newark man was sentenced to 46 months in prison for his role in a scheme to steal personal checks from the U.S. mail, fraudulently endorse them, and deposit them into personal checking accounts, U.S. Attorney Paul J. Fishman announced. Kurtis Steele, 27, pleaded guilty February 21, 2013, before U.S. District Judge Kevin McNulty to an information charging him with one count of conspiracy to commit bank fraud. Judge McNulty imposed the sentence today in Newark federal court.

Associated Press of Pakistan: Minister for Information and Postal Services Arif Nizami on Wednesday said that ministry of postal services had facilitated the process of holding free and fair elections and had printed 20 million ballot papers to facilitate holding of timely elections.

New York Times: Britain is preparing to privatize Royal Mail, the country's postal service, whose origins date to 1516 and the carrying of post for Henry VIII and the Tudor court. The government said on Wednesday that it had appointed Goldman Sachs and UBS as the lead banks to manage a planned initial public offering on the London Stock Exchange later this year. Barclays and Bank of America Merrill Lynch will also work on the sale. The planned offering could value Royal Mail at about £3 billion (\$4.5 billion), according to some analysts. The government has been considering a sale of Royal Mail for years, but plans became more concrete over the last year when the company's finances started to improve. Pressure is also growing on the government to find additional savings to reduce the budget deficit.

#### May 29, 2013

Wall Street Journal: In the fight against counterfeit goods, it may be better for companies to focus their protective efforts on packaging rather than products. Given the growing threat to brands from counterfeiting-the International Chamber of Commerce projects the number of counterfeit products sold worldwide to hit \$1.7 trillion by 2015, up from the \$650 million reported in 2008 by the Organization for Economic Cooperation and Development. Too often, large companies suffering losses from counterfeiting spend most of their time and money trying to root out the people selling the illegal products, which Youill said in a recent paper doesn't usually provide the best return on the investment. By focusing efforts at the source of the illegal packaging, companies would better spend their money

and be more effective in taking fake goods off the market, because a single packager often supplies many of the illegal sellers, he said.

The Times of India: Tata Consultancy Services (TCS) today said it has bagged a six-year contract from the Department of Posts (DoP) worth over Rs 1,100 crore. The end-to-end IT modernisationprogramme to be implemented by TCS will equip India Post with modern technologies and systems to enable it to provide services to customers in an effective manner, TCS said in a statement.

Sky News: The Royal Mail is to keep some post office branches open late as part of a new service aimed at helping customers get their internet-ordered parcels outside of working hours. The company said it will be the biggest service of its kind, with the branches opening longer so that goods ordered online can be collected, avoiding the usual delays to deliveries.

**Two Circles**: A Speed Post letter that crawled to its destination and cost an unemployed man the chance of a job has earned the postal department the wrath of India's top consumer court, which pulled it up for deficiency in service and ordered payment of compensation.

Balkan News: There wasn't a single investor willing to buy the task book in the privatization of Romania's state-owned postal service so far, and the deadline expired on Tuesday, May 28. The potential investors interested in the company have asked for a delay in the deadline for offers, after the tax administration ANAF calculated EUR 25 million in new fiscal debt for the Romanian Post, according to company sources, quoted by local news agency Mediafax.

Pushing the Envelope: "Giving America a Voice" What do you want from your Postal Service? It's a simple question, yet it is probably one that few citizens have pondered – even as our nation's policymakers consider how best to reform the U.S. Postal Service. The voice of the American public has largely been absent from the debate about what role the Postal Service should play in meeting modern communications needs. . . .

<u>U.S. Postal Service Office of Inspector General Audit Reports Update</u>" "Use of Non-traditional Full- Time and Postal Support Employee Positions in Processing Operations Audit Report "

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

Austrian Post had a restrained start into the new business year.

bpost's IPO is the culmination of more than a decade of change and hard work'. CEO Johnny Thijs confirmed the IPO of the Belgian post (among others CEP-News 15/13) with these words on Thursday last week. The Belgian government will keep its stake of 50% plus one share.
Swiss Post started into the new business year with a jump in profits while revenues decreased slightly. Net profit almost quintupled to almost 1bn euros. However, the rise in profits was achieved due to an initial recognition of deferred taxes due to an integral tax liability and staff costs related to the planned amendment for restructuring of Swiss Post's pension fund.
The Liberal Democratic Party (LDP) apparently wants to regain full control over Japan Post again. It was now revealed that not only CEO Atsuo Saka will have to resign (CEP-News 20/13), but also almost the entire top-management. Overall, 18 members of the board will have to clear their desks and will be replaced by 13 new managers and politicians respectively.
PostNord has been able to stabilise the operating result on slightly decreasing revenues in the first quarter.

■ Is a timid competition emerging on the Belgian mail market? The regulatory authority BIPT awarded a licence for handling letters weighing up to 50 grams to privately run mail service TBC-Post. Last year, with Vlaamse Post a new player entered the unaddressed mail market and announced that it considered also offering the delivery of addressed mail in the future. ■ Post Malaysia was able to increase turnover and profit in the past business year.

Standard & Poor's got bad news for New Zealand Post yet again. The rating agency now lowered the outlook from 'stable' to 'negative'. At the same time, the current rating of 'A+/A-1'

was confirmed. The reasons for this were increased economic risks in New Zealand, which could have an impact on the banking sector and therefore on New Zealand Post's subsidiary Kiwibank, the agency said.

Swiss Post takes over parts of Pitney Bowes' business in the UK. The company reported that it struck an agreement with Pitney Bowes Limited and Pitney Bowes Ireland Limited concerning the purchase of their mailroom and document management services in the UK and the Republic of Ireland.

The Belgian government signed the fifth so-called management contract ('Beheerscontract') with the post. The contract manages the universal service in the period from 2013 to 2015. According to the contract, the post has to operate a network of at least 1,300 sales points - of which 650 have to be post offices. Furthermore, newspapers have to be delivered until 7:30 am (before 10 am on Saturdays) and the post has to offer simple financial services like cash deposits. Integer.pl plans to further speed up its business with parcel terminals that are marketed under

the brand name Easypack. According to the previous plans, Integer aimed to install around 16,000 parcel terminals in twelve European countries and the CIS region until the end of 2016.

S same-day delivery on the rise in Germany? Industry journal »Internet World Business« (22.05) reported that electronics distance seller Conrad now offers the delivery within two hours or on a desired date in the metropolitan area of its 25 stores. Conrad, one of the biggest shippers in Germany, offers this service in co-operation with Munich based start-up firm Tiramizoo, which's business model is similiar to Shutl's.

#### **USPS'** test with parcel terminals, which started around one and a half year ago is

**apparently becoming a flop.** In a report by the Office of Inspector General (OIG) the authority writes that 'user adoption has been very slow'. According to the report, around two thirds of all interested persons cancelled the complex registration process.

British CEP service provider UK Mail significantly improved its earnings on an increased turnover in the business year 2012/2013.

Local Letterbox, the carrier neutral parcel shop network, which was launched at the end of last year in the UK (CEP-News 50/12), has a first co-operation partner. CEP service operator City Link, which was sold by the Rentokil Group recently (CEP-News 18/13), will deliver shipments to a parcel shop upon the recipient's wish.

The number of online-only e-retailing businesses in the British distance selling market virtually exploded over the last five years. According to a study on behalf of Royal Mail, the number of distance sellers who use the internet as their sole distribution channel more than doubled to 14,400.

DHL co-operates with Itella on road-based express services. In the middle of May, both companies signed a collaboration agreement. According to the agreement, the Finnish post will take care of the pick-up and delivery of import and export shipments for DHL's Day Definite Service.

Postal customers in the Netherlands can now pay their postage via an app. The customer requests a code with the app, which is then written on the letter or post card. The code serves as receipt of payment. However, at 75 eurocent for a standard letter, the postage is significantly higher than the price for a regular stamp (54 cent).



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



<u>Dead Tree Edition</u>: The U.S. Postal Service's growing confidence in the troubled Flats Sequencing System may lead to an overhaul of postal rates and significant changes at printing plants in January. Postal officials have said recently that they plan to implement new postage rates for the Standard and Periodicals classes

(and perhaps First-Class Mail) early next year that include "an FSS pricing structure." Details have not been released, but discussions indicate the plan will include significant incentives for mailers to create FSS-optimized bundles for ZIP codes served by the giant machines while continuing to make traditional carrier-route and 5-digit bundles for non-FSS areas.

#### May 28, 2013

New York Times: Pillory Congress all you want as do-nothing or dysfunctional, as its critics often have. But in one respect, lawmakers in the Capitol are remarkably productive: they name post offices like nobody's business. A new report from the Congressional Research Service, the nonpartisan research division of Congress, found that about 20 percent of laws passed in recent years were for naming post offices. *[EdNote: Here's a suggestion for Congress. Name STREETS after fallen military patriots, not post offices. The chances are better that in 10 years the roads will still be there.]* 

Re-evaluating Span of Control Targets. Span of control is defined as the number of subordinates in an organization who report directly to one supervisor and is determined by evaluating several factors.

Washington Post: The government would have to produce an annual report detailing the use of on-the-clock time by its employees for union purposes, including the number who spend all their working time on such matters, under a bill cleared by a House committee last week. "Currently, there is no accurate reporting of official time, which costs taxpayers millions of dollars each year," said an announcement by the House Oversight and Government Reform Committee, which approved the bill on a voice vote. "The sole job of some federal employees is to serve as a union representative. At a time when our country is almost \$17 trillion in debt, we should not be spending money for federal employees to conduct union business during official work time," sponsoring Rep. Dennis Ross (R-Fla.) said in a statement. On its own initiative, the Office of Personnel Management has produced annual accountings of official time for a decade. By law, official time is not to be used for internal union business such as conducting elections but rather is restricted to purposes such as bargaining and representing employees in grievances. Specific policies on its use commonly are negotiated into contracts.

**Gawker**: Those who enjoy slow-motion disasters have spent years watching the travails of the gallant United States Postal Service, which is kind of like FedEx if it was run by the Three Stooges. Just how existentially challenged is our nation's mail service?

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a question. APWU President Cliff Guffey wants to know why not. Guffey is ticked off because the federal government is taking a chunk of money that properly belongs to the Postal Service – while the USPS teeters on the edge of bankruptcy. In addition to the federal pension funds, the Treasury is tapping the controversial Postal Service Retiree Health Benefits Fund. "The one that's bankrupting the

USPS," Guffey said.

# *⊠***INDUSTRYALERT**

**Mark Your Calendar: Upcoming Webinars:** The USPS Product Innovation team will present two webinars to provide mailers all they need to know to participate in three of the upcoming 2013 Promotions—Product Samples, Picture Permit and Emerging Technologies. The first two, Product Samples and Picture Permit, are designed to encourage mailers to use direct mail to help acquire new customers, improve the mailpiece's visibility and to build brand awareness. The Emerging Technologies promotion is designed to encourage innovation and the use of technologies that can make mail more interactive and add value. Phone lines for the webinars are limited--sign up today so that you are prepared and informed. Registration via the Business Customer Gateway for the Product Samples promotion is now open. Registration opens on June 1<sup>st</sup> for Picture Permit and June 15<sup>th</sup> for Emerging Technologies. For additional information on the USPS 2013 Promotions Calendar and detailed promotion requirements, please visit our RIBBS website at:

https://ribbs.usps.gov/index.cfm?page=mobilebarcode Webinar pre-registration is required and lines are limited so please sign up for these informational sessions today.

- USPS Emerging Technologies Webinar, Monday, June 3, 2013 2:00 pm ET Click <u>here</u> to register for the webinar or go to: <u>https://usps.webex.com/usps/onstage/g.php?d=395541182&t=a</u> Call-in toll-free number (US/Canada): 1-877-668-4493 Access code: 395 541 182
- USPS Product Samples & Picture Permit Webinar, Wednesday, June 5, 2013 12:00 noon ET Click <u>here</u> to register for the webinar or go to: <u>https://usps.webex.com/usps/onstage/g.php?d=391018241&t=a</u> Call-in toll-free number (US/Canada): 1-877-668-4493 Access code: 391 018 241

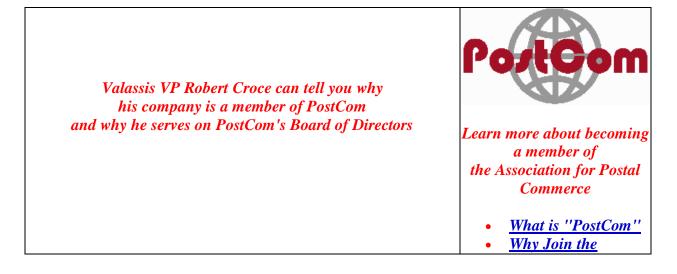
Wall Street Journal: "Europe's Green-Fuel Search Turns to America's Forests" [EdNote: Remember this the next time someone starts to rant about how mail is destroying America's forests.]

**<u>Los Angeles Times</u>**: Postal Service is on its last legs, with little help in sight.

Third Sector: Imagine the scenario: new European Union rules force charities to start asking supporters and potential donors to tick a box giving explicit permission to receive direct mail, setting aside the current practice in which direct mail is authorised unless an opt-out box is ticked. Add to that a rule on 'profiling' that would, for example, prevent charities sending appeals to everyone called Wayne in the knowledge that they are likely to be between 35 and 40 years old, and the result would be, according to some fundraisers, a disastrous threat to the income of charities. European CommissionFewer people would opt in than currently opt out, they argue, so the data lists on which charities depend would shrink and decay; and that, combined with profiling restrictions, would lead to a growth in mass 'door drops' of unaddressed mail, increasing the volume of unwanted paper coming through people's letterboxes.

#### May 27, 2013

New York Post: FedEx and UPS have racked up a combined \$2.8 million in city parking tickets in just the first three months of this year. They and other commercial delivery companies account for 20 percent to 30 percent of the roughly 10 million parking tickets that get dished out annually in the Big Apple, according to Crain's New York Business. The two delivery giants are among the biggest gold mines for the city, which expects to collect \$550 million off parking violations this year. Others left with big illegal-parking tabs include Verizon, the US Postal Service and Time Warner.



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<ul> <li><u>Join PostCom</u></li> </ul>
<u>Today!</u>

**Edinburgh Evening News:** The Royal Mail is a vital part of our past and present, delivering anywhere in the UK everything from bills and bank statements to Christmas cards and increasingly goods ordered online. But its future is under threat. Royal Mail's financial report for 2012-13 just published shows that its overall operating profits more than doubled over the last year from £152m in 2011-12 to £403m in 2013-13. That makes it very hard to understand why the UK Government wants to sell off Royal Mail. My concern is that ideology is being put before the interests of customers, just as it was with earlier privatisations.

Azerbaijan Business Center: 'Azerbaijani-Mail (Azərpoçt Ltd) continues to develop its own network of financial services. The financial stability report for 1st quarter of 2013, published by the Central Bank of Azerbaijan, says that by 1 April 953 postal offices have been connected to provision of limited financial and banking services against 945 branches by early 2023. For 12 months, 63 branches of Azərpoçt got the right and the opportunity to provide financial services.

#### Mary 26, 2013

<u>Cyprus Mail</u>: Officials from the UK's postal services, Royal Mail, are due to visit the island at the end of the month to discuss how they can improve services to and from the island in tandem with their Cypriot counterparts.

May 25, 2013

## At the Postal Regulatory Commission:

R2013-6	Comments of the Association for Postal Commerce the Technology Credit			
	Promotion			
R2013-6	Comments of Time Inc. on the Technology Credit Promotion			
R2013-6	Comments of the National Postal Policy Council, the Major Mailers Association, the			
	National Association of Presort Mailers, and the Association for Mail Electronic			
	Enhancement			
R2013-6	Comments of Conde Nast			
R2013-6	Comments of National Newspaper Association, Inc. in Response to the Postal Service			
	Proposal			
R2013-6	Comments of Valpak Direct Marketing Systems, Inc. and Valpak Dealers' Association,			
K2013-0	Inc. on the Technology Credit Promotion			

**<u>BtoB</u>**: The U.S. Postal Service will offer product marketers a 5% upfront postage discount on samples mailed out in August and September. The Postal Service's Product Samples promotion, for the mailing of trial-size samples, is intended to "re-invigorate product sampling" through the mail, the Postal Service said in a statement. The promotion

also is intended to raise awareness of the Postal Service's new Simple Samples standard mail program, which offers flat-rate pricing, volume discounts and less stringent mail-preparation requirements.

#### May 24, 2013

Chartered Institute of Logistics and Transport: The digital revolution is in full swing in the UK and it is clear that online shopping is having a huge impact on the logistics sector. People are now purchasing items from their laptops and mobile devices and companies are under increasing pressure to get these goods delivered as swiftly as possible. This is obviously putting a lot of strain on supply chains and firms that are slow to embrace e-commerce or have limited warehouse space to keep their products will ultimately fall behind their rivals.

**4-Traders**: Escher Group announces their contract with Brunei Post has been extended for an additional period of three years as Brunei prepares to upgrade its current software installation to the latest version. In 2005, Escher Group was chosen by Brunei Post as their point of service technology solution in order to support the role of the post office as an integral, trusted provider of services to the community. With the newest version of their Riposte innovative software, Escher Group will continue its business relationship with Brunei Post to span more than a decade.

**International Business Times:** Deutsche Post has filed a complaint with the European Commission against a German law that will require government agencies and public services to use a rival encrypted email system. Share article 1 A spokesman for the German postal services group said on Friday that a German bill on the use of "De-Mail", offered by Deutsche Telekom and United Internet, would violate EU laws and discriminate against Deutsche Post's own email service "E-Postbrief".

**Workers Union's decision to hold a consultative ballot to understand its members' views on a range of issues. The union is sending ballot papers to 112,000 postal workers in Royal Mail and is asking members to vote yes to four questions covering privatisation, a mail boycott, pay, and workplace issues. The ballot will close on 18th June and the results will be announced on the 19th June. Royal Mail's statement said that the organisation is committed to seeking an agreement with the CWU on the way forward in Royal Mail "that equips the business for the future and is fair to our employees".** 

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

- IMb Full-Service Requirements in January 2014
- USPS Postpones eInduction Implementation
- USPS Adds RIBBS Feature to Show Updated Files
- MTE Levels Strong in Preparation for Fall Mailing Season
- USPS COO: Optimization and Continuous Improvement are Key
- Much Confusion on IMb Tech Credit
- Folded Self-Mailer Training Available from USPS
- The Count Down to Full-Service: 100,000 To Go?
- New ACS Services for 2014
- Holiday Acceptance Hours Issues?
- MTEOR Shines Bright Light on MTE Inventory
- IMb Planning Tool Modification in the Works
- Contingency Plan for PostalOne! Outages
- Is "Run Stiffness" the New "Droop?"
- APPS Enhancement Designed to Reduce Bundle Breakage
- Updated Flats Strategy in the Works
- USPS to Publish Proposed Rules on IMpb Compliance Thresholds

- USPS Packages Simplification
- Package Services News Bytes from MTAC
- SCF Mail for FSS Sites
- 2013 Promotions/Incentives Update
- 2014 Promotions/Incentives
- Secure Destruction Pilot Delayed
- USPS Pilots Digital Mail Notification
- MTAC Workgroups and User Groups
  - USPS Works to Protect Information Security

#### **DMM Advisory:** IMb<sup>™</sup> Services Update.

- **PostalOne!® Release 34.1.0 Deployment** is scheduled for June 2 during the regularly scheduled maintenance window and will include several infrastructure changes. There will be a PostalOne!® outage from 4 a.m. to 9 a.m. CT on Sunday, June 2, 2013. During this outage, PostalOne! will be unavailable, including Mail.XML®, FAST® Web Services, and eDOC services. There are no new release notes and no new Mail.dat® client with this release.
- **PostalOne! Release 34.1.0 Test Environment for Mailers (TEM) Deployment** is scheduled for Monday, June 3, 2013, and PostalOne! TEM will be unavailable from 4 a.m. through 7 a.m. CT.
- Upcoming Webinars for Mailers Mail Entry and Payment Technology (MEPT) will host webinars for mailers in the next few weeks on Folded Self-Mailers (May 28, June 4 and 6, the enhanced Business Customer Gateway (May 31), and Technology Credit (June 6). Go to <u>RIBBS/Intelligent Mail</u> <u>Services/Education</u> for dates, times and log on information.

Reuters: Banks have been asked to gauge by the end of this week the appetite for a 1.5 billion-pound (\$2.26 billion) syndicated loan to back the planned privatization of Britain's Royal Mail Group.

Times of Zambia: Zambia Postal Services Corporation (ZAMPOST) and Trust Company of Japan will next week officially launch an online sales agency for buyers of second hand vehicles in Lusaka. Postmaster general MacPherson Chanda said in Ndola yesterday that ZAMPOST would, from June 3 2013, start offering convenient, cheaper and fast mode of payments for buyers of second hand vehicles from Trust Company of Nagoya, Japan. He said following the clearance by Bank of Zambia and successful negotiations held between ZAMPOST and the firm, ZAMPOST would be a sales and collecting agent. Mr Chanda said that would extend the financial services ZAMPOST was offering such as local and international money transfer services under the Postal Services Act.

Interfax: JSC Kazpochta, Kazakhstan's national postal outfit, made net profits to International Financial Reporting Standards (IFRS) of 945.876 million tenge in 2012, or \$6.3 million at the current exchange rate, which was 17.3% more than it did in 2011, the company reported. Sales revenues were up 12.8% at 24.7 billion tenge, gross profits 7% at 4.6 billion tenge, and pretax profits 5.4% at 1.065 billion tenge. Company assets grew 15% to 46.1 billion tenge, obligations 19.1% to 36.8 billion tenge, equity 1.1% to 9.3 billion tenge, and charter capital 1.8% to 10.2 billion tenge. Kazpochta provides a full range of postal and financial services. It is part of the state fund Samruk-Kazyna.

**WYMT**: A London man was indicted on charges of embezzling mail sent from the US Department of Veteran Affairs. The indictment states Darrell Hensley, 54, stole prescription drugs from mail that were intended for veterans while working as a US postal worker in Laurel County. Police said the thefts took place from September 6, 2012 until March 10, 2013.

AllVoices: News that the US Postal Service lost nearly \$2 billion in its most recent quarter actually is an improvement over the same period last year. The post office has struggled all year to cut expenses by laying off workers and cutting hours of operation and did manage to cut its losses by a third, according to the Reuters international news service. But the agency's grand plan to eliminate Saturday service to save \$2 billion has been rejected by Congress. Good for them. At least the partisanship-crippled legislature got something right.

The Oklahoman: An idea launched on the Internet is becoming closer to reality, thanks to the timely intervention of a former U.S. Air Force pilot. Oilman Ron Mercer and adman Bob Hammack hatched their plan almost two years ago: Save the U.S. Postal Service from going broke by switching from gasoline to cheaper natural gas.

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

- The Association for Postal Commerce ("PostCom"), on behalf of the Association of Marketing Services Providers ("AMSP"), the Direct Marketing Association ("DMA") and the Association of Magazine Media ("MPA") have submitted comments to the Postal Regulatory Commission in Docket No R2013-6, Notice of Price Adjustment (Technology Credit Promotion). PostCom urged the Commission to reject the Postal Service's proposal.
- The Association for Postal Commerce ("PostCom") has submitted comments to the Postal Regulatory Commission in Docket No RM2013-2, Review of Commission's Price Cap Rules. PostCom submits these comments to highlight areas in which mailers and the Postal Service would benefit from additional refinement of the Proposed Rules. Specifically, PostCom urges the Commission to revise the Proposed Rules to clarify the treatment of promotional rates and to allow the Postal Service additional flexibility to consider trends in mailer behavior.
- The Postal Service Office of Inspector General commissioned a study by the market research firm InfoTrends to better understand how Internet-connected Americans view the Postal Service now, as well as what role it could play in their lives in the future. The study was an Internet-based survey. The findings are intended to be the basis for more in-depth follow-up research into topics this initial survey identifies as important. Additional research will likely reach a larger population, including those without access to the Internet, and may include focus groups, additional surveys, and/or interviews.
- FedEx Express extends same-day service to Boston. Retirement funds temporarily tapped to avoid debt limit default. 47 members of Congress tell PMG: Stop accelerating consolidation of mail processing.
- Updates from the Federal Register.
- 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</u> by email your name, company, company title, postal and email address. Get a chance to see what you've been missing.



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Financial Times: UK Mail is to invest £20m in automated sorting equipment over the next two years as it forecasts an end to the fierce five-year downturn in the crowded parcels sector. The parcels industry has suffered from a combination of the economic downturn and overcapacity, but some operators are gearing up for expansion. High quality global journalism requires investment. DPD, a subsidiary of France's La Poste, plans to invest £175m over the next five years to increase UK capacity to cope with growing demand for retail goods ordered online. Royal Mail is investing £75m over four years in its express parcels business.

Postalnews Blog: Rosemarie Fernandez Named Acting USPS Employee Resource Management VP

**The Flyer Group:** Jason Lalli was upset when the North Salem Post Office had to remove its stamp machine. The situation also gave him an idea to help his customers at the North Salem Food Plaza. "When they had the stamp machine in there, you could go and get stamps at 11 o'clock at night if you needed to," he said. Lalli is a resident of Brownsburg and owns and operates the North Salem Food Plaza and Marathon station at 3 S. Main Street. "I basically wanted to be able to offer stamps to my customers," he said. "We can also do other postal services like priority box shipping." The North Salem Post office is open from 8 a.m. to noon Monday through Friday and from 9

to 11 a.m. Saturday. To offer extended postal services, Lalli added a Village Post Office (VPO) to his business. "We're the only gas station and convenience store in town, and our customers often come into the store about three or four or five times a day," he said. "I wanted to provide a service for them, so they could pick up a book of stamps while they're here."

Sky News: The chief executive of Royal Mail is being lined up for an annual bonus worth almost £500,000 just months before the company presses the button on Britain's biggest privatisation for a generation. [EdNote: The American postal CEO? Well... he's just in for a lot of grief.]

**Bloomberg Businessweek:** Heather Gable has had it rough. During the recession, sales dropped off at Finger Lakes Coffee House, the business she owns in Van Etten, a small Upstate New York town. Gable is one of the newest business owners to sign up with the U.S. Postal Service's nationwide Village Post Office project, which is intended to help the imperiled federal agency save money while giving local entrepreneurs a boost. The USPS has 31,272 post offices across the country. Only about 6,000 generate enough business to cover costs. In May 2012, the USPS announced a plan to save \$500 million by reducing hours of service at 13,000 rural branches.

#### May 23, 2013

**Press Release:** Intelisent, an industry leader in marketing operations and personalized communications, announced today that Todd Black has joined the company as Managing Director of Intelisent's WebTrack Division. Black, a postal industry professional with extensive experience in mailing operations, postal affairs, and logistics will be responsible for overseeing all aspects of the WebTrack division, including strategy and operations, customer support and the development of new products and services.

Post & Parcel: There are few postal operators who will not feel a tinge of jealousy glancing over coverage of Royal Mail's latest annual results

**Government Executive:** Nearly all Internet-enabled Americans would feel the impact of the elimination of the U.S. Postal Service, according to a recent survey, though only about half would be significantly impacted. The online survey, conducted by the USPS inspector general's office, found Americans poorly educated about the details of the nation's mailing agency but supportive of its continued existence. Ninety-five percent of respondents said their lives would be affected if the Postal Service ceased to exist in five years. Eight in 10 respondents said USPS should continue to serve all areas of the country -- as it is currently required to do -- even if it is not profitable. About half that many opposed eliminating Saturday delivery. Just more than half of respondents prefer getting all or most of their mail physically rather than digitally, according to the survey.

The Royal Gazette: Lawyer Kim White confirmed that Bermuda's Postal Service is being looked at closely as one of the ways to reduce Government expenditure. Mr White made the disclosure on Tuesday night at the first public meeting hosted by the SAGE Commission at St James Church Hall to gauge views on how to reduce costs. He was responding to a question posed by resident Hilda Young who wanted to know "if anyone was looking into ways to cut down on overstaffing at the Post Office". Said Ms Young: "My mail in my box is very slight and I'm wondering what the possibility is of cutting that." Mr White responded: "The Post Office is certainly being looked at very carefully. You're right, your mail is getting less and less and we're moving towards a paperless society.

**CIO** Journal: Professors at the Massachusetts Institute of Technology researching large amounts of data to gain insight that could improve quality of life say privacy concerns complicate efforts to gather data and make conclusions broadly available. Although the professors were optimistic about the potential of their work, they conceded that privacy remains the big stumbling block to Big Data. Data by itself is largely benign, but security, privacy and compliance issues can crop up when the data is analyzed and correlated. Also, people are wary of being profiled based on the data they create.

Buffalo Business First: Canada Post says junk mail is good for you. Canada's postal service is asking its customers to accept all mail that's sent to them, according to the Toronto Star. Letters went out this week to homes and businesses that currently decline to accept mail addressed to "occupant." The letters say that general mailings of

coupons and retail offers "can save you money and keep you connected with your local community." Canada Post delivered 4 billion letters a year ago, down from 5 billion in 2007. [EdNote: Well... if it's good for Canada and the nation's mail system... it must NOT be "junk." Go ahead. Try running a postal system with advertising mail. Try running a TV, a cable network, a radio station, a newspaper, or even the internet without advertising. Lots of luck. Particularly to the Googles, Yahoos, AOLs, and Facebooks of the world who vitally depend on distributing advertising.]

MarketWired: The Conference Board of Canada, a not-for-profit applied research organization in Canada, was hired by Canada Post to do a study on the challenge of sustaining postal service. This report can be found at: <a href="http://www.conferenceboard.ca/temp/4609bcc6-544f-4c52-8dcd-831ae47fbf67/13-290">http://www.conferenceboard.ca/temp/4609bcc6-544f-4c52-8dcd-831ae47fbf67/13-290</a> postalservice.pdf. Canada Post Corporation is offering Canadians an opportunity to respond to this report.

## **From the Federal Register:**

Postal Regulatory Commission	
NOTICES	
New Postal Products,	
30940–30941 [2013–12247]	[TEXT] [PDF]

Reuters: Belgian postal operator bpost will list a minority stake, currently held by private equity group CVC Funds, on the Brussels stock exchange.

**Albany Times Union**: Rain, sleet and snow may not keep the U.S. Postal Service away — but the cost of gasoline just might. That's one of the lessons from a strange dispute that pitted a newly built neighborhood in Halfmoon against postal officials. Here's another lesson: Mail delivery isn't what it used to be. But you probably already knew that. The Halfmoon fight centered around a new and somewhat secretive postal rule requiring new neighborhoods to have community, centralized mailboxes allowing for just one delivery stop. Door-to-door (or driveway-to-driveway) service is out for most new subdivisions — saving money and time for the financially strapped government agency.

Postal Technology International: Nominations for the Postal Technology International Awards 2013 have opened. The awards are designed to recognise and reward all the hard work currently taking place in the postal industry. The awards cover various areas of the industry and nominations can be put forward by anyone working in the sector. The categories are: Automation Technology of the Year; Digital Mail Innovation of the Year; Environmental Achievement of the Year; Last Mile Delivery Innovation of the Year; Retail Innovation of the Year; Service Provider of the Year; and Supplier of the Year. The judging panel is made up of major decision makers within the world's posts. Organisations represented include USPS, TNT, DHL, Swiss Post, the South African Post Office, Canada Post, Singapore Post, Australia Post and Saudi Post, among others.

National Association of Major Mail Users: The National Association of Major Mail Users has shared the following communique with its members:

**COMMUNIQUE - Canada Post Organizational Changes --** Jacques Côté, Group President, Physical Delivery Network, today announced the following organizational changes effective June 3rd, 2013. (1) Mike Badour, General Manager, Commercial Mail and his Transaction Mail and Direct Marketing product teams will report to Bill Gunton, Vice President Marketing. (2) Donna Drover, General Manager, Direct Mail Programs, will also report directly to Bill. (3) John Reis, General Manager Retail and his team will report to Doug Jones, Senior Vice President Delivery and Customer Experience. (4) James Phillips, Director, Stamp Services and his team will report to Jo-Anne Polak, Vice President Communications and Public Affairs.

These changes will enable Mary Traversy to focus on her new Canada Post 2.0 role and the execution of her new responsibilities as Senior Vice President Processing, Engineering and

Infrastructure announced on April 30, 2013. Cal Hart, Senior Vice-President, Processing, Engineering and Infrastructure has announced he will retire from Canada Post on July 5, 2013. Mary Traversy will assume responsibility for Engineering, Processing, and Real Estate. She will also take over leadership of the Postal Transformation file. These changes are significant as Canada Post works toward re-defining postal service for all Canadians, the general public and business users.

#### May 22, 2013

What America Wants from the Postal Service May 21, 2013 (RARC-WP-13-009) -- America's communications needs are continually evolving. Individuals and businesses have become increasingly reliant on electronic means of transacting business and exchanging information. However, not everyone has access to and uses digital communications. The U.S. Postal Service is at a critical juncture in determining its role in meeting America's communications needs in the digital age. There are ongoing debates regarding what role the Postal Service could and should play in meeting modern communications needs. These discussions often include Postal Service management, the postal regulator, postal employees and customers, members of Congress, and other stakeholders. Largely absent from the debate, however, has been the voice of the American public — the very people that the Postal Service exists to serve. To begin to understand America's changing communications needs, the Postal Service now, as well as what role it could play in their lives in the future. This paper provides the results of that survey and is intended to be the basis for more in-depth follow-up research into topics this initial survey identifies as important. Additional research will likely reach a larger population, including those without access to the Internet, and may include focus groups, additional surveys, and interviews.

Proceeding PRC Docket No. RM2013-2, Review of Commission's Price Cap Rules, Comments Of The Association For Postal Commerce

Global Post: Japan Post Holdings Co. decided Wednesday to appoint former Toshiba Corp. Chairman Taizo Nishimuro as its president to replace Atsuo Saka as part of a large-scale management reshuffle, company sources said. Nishimuro, 77, currently serves as chairman of a committee to oversee progress in the privatization of the postal system.

**WKJK**: A crash involving a Postal Service truck in Louisville, early Tuesday morning, destroyed the mail on board.

## From the Federal Register:

Postal Service	
NOTICES	
Product Changes:	
Express Mail Negotiated Service Agreement,	
30344 [2013–12104]	[TEXT] [PDF]

#### May 21, 2013

Financial Times: This is quite a year for Canadians in London. Just before Mark Carney arrives to head the Bank of England in July, Moya Greene, chief executive of Royal Mail since 2010, announced improved profits on Monday that clear the way for privatisation. Operating profit more than doubled from £152m to £403m on a like-for-like basis in the year to March 31. Revenue rose 5 per cent to £9.15bn. The improvement was achieved through cost control and higher revenue from packages and parcels ordered by internet shoppers, though it was also helped by last year's sharp rise in stamp prices.

The linked image cannot be displayed. The file may have been moved, renamed, or delet	American Postal Workers Union: Forty-seven members of Congress have signed a letter to
	Postmaster General Patrick Donahoe urging him to stand by his commitment to keep more
	than 70 mail processing facilities open until next spring. "We believe it would be

imprudent of the United States Postal Service (USPS) to close or eliminate processing of mail, at any facility, ahead of schedule," the May 20 letter [PDF] says.

**<u>The Guardian</u>**: Royal Mail is doing well in the public sector – why privatise it? A business generating profits on this scale is worth vastly more to government than the proceeds of a sell-off.

The Telegraph: Multi-billion dollar American and Canadian pension funds are being lined up to take stakes in Royal Mail when it is privatised, possibly as early as the autumn. Moya Greene, Royal Mail's chief executive, revealed that she has given a roadshow presentation to the Ontario Teachers' Pension Plan as part of the preparation for the £3bn IPO, the biggest privatisation in 20 years. The fund already has £4bn invested in the UK, including stakes in the Channel Tunnel rail link, Birmingham and Bristol airports and ownership of the lottery operator, Camelot. It is also believed that Ms Greene has spoken to US funds Calpers (the Californian Public Employees' Retirement System) and Calstrs (the California State Teachers' Retirement System). Both are major long-only investment funds.

**Example 1** Post & Parcel: Estonian online shops are increasingly expanding their operations to Finnish, Latvian, Lithuanian and Swedish markets. One of the conditions for the successful expanding is a high-quality logistics and a good cooperation with postal company.

At the Postal Regulatory Commission: Revenue, Pieces, and Weight (RPW) Report, Quarter 2, FY 2013 http://www.prc.gov/docs/87/87014/Fy2013Q2\_RPWsummaryreport\_public.xls

http://www.prc.gov/docs/87/87014/Letter\_RPW\_FY13Q2\_20130521143710.pdf

Marketwatch: Postmaster (<u>www.postmaster.io</u>), an intelligent, cross-carrier platform and API for small parcel shipments, has been selected by leading regional shipping carrier Lone Star Overnight (LSO) to enhance its online shipping portal. With Postmaster, Lone Star Overnight's customers may now access LSO, UPS, USPS, FedEx, and Canada Post through the white-labeled portal, customized to enhance the LSO customer experience from one convenient and secure location. The integration brings multi-carrier shipping capabilities previously accessible only to enterprise shippers to merchants of all sizes.

Philippine Information Agency: The Philippine Postal Corporation (PhIPost) has partnered with the world's leading express services provider, DHL to provide more shipping options to its customers. "Our partnership will see us leverage on the extensive network and services of DHL Express to further boost our product offerings and reach. It will extend over and beyond the maximum weight limit permissible and outside of the existing serviceable countries of our Express Mail Service," said Philippine Postal Corporation CEO and Postmaster General Manager Josefina dela Cruz. Dela Cruz added that the partnership will enable them to be more globally competitive and ready to serve the increasing demands of customers through the provision of prompt and affordable

services.

FEDERAL NEWS RADIO FEDERAL NEWS

**BGR**: Major Internet service providers in the United States have long taken a beating in customer satisfaction surveys, but the latest survey from the American Customer Satisfaction Index has the grimmest news yet for

American ISPs: They now have the lowest customer satisfaction ranking of any industry in America, worse than even airlines, health insurance companies and gas stations.

Handy Shopping Guide: Today's announcement from Deutsche Post DHL that it is to exchange all its conventionally fuelled delivery vehicles for electric powered units in the city of Bonn and surrounds hides another bigger story showing how efforts to revolutionise all urban transport is likely to move forward in the foreseeable future. For an outfit such as Deutsche Post DHL which mainly carries small, express freight consignments to inner city and industrial areas the concept of small, pollution free, cheap to run delivery vehicles makes absolute sense. See also Automotive World.

Channelonline: A scheme where Jersey's postmen and women check in on vulnerable islanders while on their delivery rounds, is being trialled in St Brelade. The Jersey Post Community Care Service was the brainchild of one of the company's employees.

Mirror: The National Federation of SubPostmasters urged the Government to delay the sale until the PO network's future is secured The Post Office network will be plunged into crisis with dozens of closures if Royal Mail is privatised, ministers were warned today.

Kudos! to Intelisent for making available <u>a complete list of the presentations</u> made at MTAC. (Nice job, Lisa.)

ThisIsMoney: Legislation to bring the Royal Mail into the private sector has been on the books for almost two years. The huge pension fund deficit had to be waved away, a task taken on by the Treasury. It has taken control of the assets and pushed the liabilities way into the future using public accounting smoke and mirrors. Another major requirement was that feisty Canadian chief executive Moya Greene implemented her modernisation agenda, which largely involved closing down manual sorting offices and replacing them with larger, fully mechanised facilities. The Government would like to take the sting out of union action by fulfilling the promise to distribute 10 per cent of the Royal Mail to the workforce, in the shape of shares, ahead of flotation. Anything that empowers the workforce in this way seems entirely sensible and will give the CWU an on-going interest in making sure that the Royal Mail runs efficiently. Another risk, as with so many other privatised utilities, is that the Royal Mail will, within a few years of being sold off, fall into overseas hands. At present there is no intention for the Government to keep a golden share despite a history of state involvement dating back to 1516.

**<u>The Sun Daily</u>**: Pos Malaysia Bhd's net profit rose 21% to RM32.49 million for the fourth quarter ended March 31, 2013 (Q4) from RM26.84 million a year ago, on higher operating profits from its mail and courier business units. The national postal group said its mail segment reported higher operating profits by 13% due to lower support and transfer costs, coupled with increase in revenue for direct mail, international mail and corporate mail. This was

despite a drop in prepaid, franking, ordinary mail and registered mail by 2%, 4%, 7% and 6% respectively.

The Miami Herald: FedEx Corp. said its FedEx Express unit recently launched an upgraded version of its SameDay City service in Miami. The Memphis-based delivery giant has provided same-day delivery in Miami and 27 other U.S. cities since 2008, but now provides pickup and delivery in as short as three hours in the Miami area, the company said. Miami is among nine U.S. cities getting the faster service. Others are Boston, Chicago, Dallas, Denver, Los Angeles, San Francisco, Washington, D.C., and Minneapolis.

May 20, 2013

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

**Burrus** Journal: What is Congressman Issa waiting for? After being informed that the USPS may run out of cash in October of this year he continues to dally with legislation that would stabilize postal finances. It is obvious that

Republican members on the committee object to key pieces of the proposed legislation, but there is too much at stake to hold out for a political agenda.

Australian Broadcasting Corporation: There are claims that some workers who deliver parcels for Australia Post are being paid less than the minimum wage and are not covered by worker's compensation or superannuation.

TheWarsaw Voice: Postal and parcel service firm Integer decided to speed up its easyPack parcel machine project in 2013 by entering new markets, which may burden the firm's results, CEO Rafal Brzoska told PAP Polish news agency.

Mankato Free Press: Other than the U.S. Postal Service mail handlers who will be losing their jobs, the people most affected by the impending closure of Mankato's mail processing facility are local businesses that do a lot of large mailing.

The Telegraph: The National Federation of Sub-Postmasters, which represents thousands of post offices, will call for an immediate delay in plans to privatise Royal Mail amid "serious concerns over the future of the post office network".

**EXAMPLE 1** The government is set to push ahead with plans to privatise Royal Mail this year in a £3bn float, as profits at the group continue to impress. The state-owned postal service is understood to be set for a bumper year in terms of profits, and this could pave the way for it to be floated in London at some point this year

**Global Post**: The Japanese government and Japan Post Co. are expected to help Myanmar modernize its postal system to enhance the quality of its services, according to sources close to the matter.

#### May 19, 2013

**Buffalo News**: FedEx Trade Networks' local expansion through a new \$10.6 million office and warehouse that will add 82 local jobs over the next two years gave a shot in the arm to the region's efforts to become a hub for the logistics industry.

#### Ever wonder ? <u>A World Without the Post Office</u>

**TV**: Royal Mail is to unveil a big jump in annual profits this week as it paves the way for a £3 billion stock market flotation later this year. The state-owned business should report a surplus of between £300 million and £400 million - almost double the £211 million it made in operating profits last year - as it benefits from the boom in online shopping. See also <u>ThisIsMoney</u>.

Financial Times: A postal union leader has threatened a summer of industrial disruption and campaigning in a late attempt to halt the privatisation of Royal Mail. Dave Ward, deputy general secretary of the Communication Workers Union, told the Financial Times the union was likely to order a boycott of deliveries of rival companies' mail without calling a formal industrial action ballot.

**Boston Herald:** FedEx Express, a subsidiary of Memphis, Tenn.-based **FedEx Corp., said it now offers pickup and delivery in as little as three hours in the Boston area with FedEx SameDay City service.** The enhanced service, backed by the FedEx money back guarantee, offers Hub customers SameDay City standard pickup and delivery service for as low as \$13 per shipment. FedEx is also offering customers 50 percent off their first three shipments through May 31, officials said.

#### May 18, 2013

News Times: Apparently the deals offered in a recent BJ's Wholesale Club flier were so appealing the company asked postal carriers not to pocket the advertisement. A flier that went out from the company said in bold print,

"Mail carrier, please do not bend or fold and put it in your pocket. You'll probably get one in the mail too." The message may have been the company's attempt at humor, but it has mail carriers steaming. Stealing the mail is, after all, a federal crime.

**<u>KTRK</u>**: Authorities believe they have found the body of a missing postal worker in San Jacinto County.

Washington Post: A former U.S. Postal Service official has been sentenced to 18 months in prison for accepting at least \$40,000 in bribes to help a Maryland company receive \$6 million in contracts. Forty-eight-year-old Gene Quarles of Spotsylvania pleaded guilty earlier this year in federal court in Alexandria to bribery of a public official. Prosecutors had sought a two-year sentence.

Suitability of Rail for Network Distribution Center Mail Transportation – 13XG034NO000 -- The U.S. Postal Service has a long history of transporting mail on rail dating back to the early 1800s. However, the Postal Service today mainly uses trucks to transport its surface mail across the country while its competitors, such as FedEx and UPS, have been increasingly using rail to meet their transportation needs. In 2009, the Postal Service re-aligned its former Bulk Mail Centers (BMCs) into Network Distribution Centers (NDCs) with a dedicated transportation network serviced by trucks. Much of the mail that is processed in the NDC network has service standards between 5 and 7 days. We plan to analyze information to determine if the Postal Service could meet service standards and save money by transporting mail by rail between NDCs.

May 17, 2013

## **DMM Advisory:** IMb<sup>™</sup> Services Update.

- **PostalOne!® Release 34.1.0 Deployment** is scheduled for June 2 during the regularly scheduled maintenance window and will include several infrastructure changes. There will be a PostalOne!® outage from 4 a.m. to 9 a.m. CT on Sunday, June 2, 2013. During this outage, PostalOne! will be unavailable, including Mail.XML®, FAST® Web Services, and eDOC services. There is no new Mail.dat® client with this release.
- **PostalOne! Release 34.1.0 Test Environment for Mailers (TEM) Deployment** is scheduled for Monday, June 3, 2013, and PostalOne! TEM will be unavailable from 4 a.m. through 7 a.m. CT.
- Business Customer Gateway/eAdmin Release 4.4 Deployment to Production is scheduled for Sunday, June 9, 2013, from 4 a.m. to 8 a.m. CT during the regular maintenance window. During the deployment, the application may be unavailable. The Business Customer Gateway has been redesigned to simplify the registration process. Release Notes for Business Customer Gateway/eAdmin Release 4.4 will be provided on RIBBS prior to deployment.

Press Release: UPS has announced a new UPS App for iPad, to let users easily track packages, find UPS shipping locations, and access UPS My Choice®, all with enhanced mapping features. The free app is now available for download on iTunes and in the Apple App Store. The UPS App for iPad enables customers to track packages and find locations where they can send shipments. Additionally, the app allows users of UPS My Choice to access all of the features of the service including the ability to reroute or reschedule delivery. UPS My Choice Premium members can also view their delivery planner within the app.

**Cayman Compass**: The Cayman Islands Postal Service has added a new service to assist customers who are expecting small packages or parcels from overseas that have been improperly addressed. The service, "Watch for Request", was developed for customers who, for whatever reason, were unable to include a post office box number and or postcode when placing an order. As the public is aware, the postal service delivers mainly to post office boxes and not physical addresses. The exception to this is when using the courier service, Express Mail Service.

<u>American Spectator</u>: Second quarter results are in: The U.S. Postal service lost another \$1.9 billion. At this rate, its loss for a full year could be \$8 billion. Ever since its bread-and-butter business, First Class Mail, began a steady decline as e-mail and "social media" took the place of letters it has been a consistent money loser and stays alive

only with annual loans from the federal government — loans that it cannot repay. The long-range solution would be to find a way to privatize the entire system. For now, a good start would have two elements. First, auction off to the highest bidder (viz. Fed Ed, UPS) the entire package delivery operation. The USPS is required by law to deliver a First Class letter to midtown Manhattan and Nome, Alaska, for the same price, regardless of cost. With packages, however, it may take time and distance into account in setting rates — just as Fed Ex and UPS do. The auction of this service will bring in a lump of cash that can be used to reduce the current year's loss and/or make good on some of the pension defaults. With the package service phased out, the USPS will need fewer package-processing personnel, less related equipment, fewer trucks and less real estate — thus, lower operating costs.

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

- The U.S. Postal Service ended the second quarter of its 2013 fiscal year (Jan. 1 March 31) with a net loss of \$1.9 billion. The Postal Service continues to grow revenue and reduce expenses by using the tools available to it under existing law. However, without passage of comprehensive legislation to provide the Postal Service with a workable business model for today's marketplace, large quarterly financial losses will continue.
- The Postal Service hosted a webinar this week on its recently filed Technology Credit promotion. The webinar, lead by USPS VPs Cliff Rucker and Gary Reblin, was defined as a clarification of what is filed at the Postal Regulatory Commission. The Postal Service does not plan to file any additional information with the Commission.
- Deputy Postmaster General Ron Stroman earlier this week told attendees of the USPS Leadership Forum for Stakeholders that the lack of progress of postal reform in Congress has "significant implications" for the USPS in terms of its next steps.
- The USPS earlier this week at the Mailers Technical Advisory Committee (MTAC) meetings gave mailers some hints as to what might be in its January 2014 pricing changes.
- Randy Miskanic, USPS vice president of Secure Digital Solutions, told attendees of the USPS Leadership Forum for Stakeholders the USPS initially wants to focus its digital concepts on translating its core competencies from the physical to the digital. He said that the USPS wants to share concepts with industry and "inspire thoughts on how the concepts can enhance your role with the USPS, and your role with your customers." He said there are tremendous opportunities to move forward, and said that initially the USPS is focusing on two broad conceptual pillars: credentialing/authentication and secure messaging. Miskanic said the USPS is looking at what it could do within its existing legislative framework as well as wanting to discuss some "what ifs" with industry as it moves forward.
- Recently appointed USPS Executive Vice President & Chief Human Resources Officer Jeff Williamson (formerly USPS Vice President of Pricing) earlier this week presented at the USPS Leadership Forum for Stakeholders an overview of the changes the USPS has made and is exploring concerning its employee health benefits. Noting that the USPS has recently bid out its health care plan for its non-career employees, Williamson said that the USPS' health care costs for 2012 were \$13.5 billion, which he said means that 20 cents of every USPS revenue dollar was spent on health care. Moving to its own health care plan for all its employees and retirees would save the USPS \$2.1 billion in the first year alone, Williamson said, as well as saving employees/retirees \$659 million in lower premiums. He noted that the USPS will be providing webinars soon with more detail to help employees and other stakeholders understand more about what the USPS would like to do in terms of health benefits and its legislative agenda.
- The Postal Service published its unaudited March results with the Postal Regulatory Commission. USPS lost \$591 million in March 2013. The Postal Service's controllable operating loss for the month was ONLY \$28 million. The Postal Service Retiree Health Benefit Fund had a prepayment of \$467 million and a workers compensation adjustment of a \$82 million.
- Carper and Coburn speak about USPS losses. Postal Service considers price hikes. PMG facing choice of flouting laws to stem losses. The future of flats and FSS. USPS offers PCCs webinars. USPS postpones eInduction implementation. Looking for more news from MTAC?
- 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</u> by email your name, company, company title, postal and email address. Get a chance to see what you've been missing.



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Wall Street Journal: Bringing operating leases onto the books will change the "geography" of Deutsche Post DHL's profit and loss statement and balance sheet, Chief Financial Officer Lawrence Rosen said on Thursday, but it shouldn't much change the company's operations or credit ratings.

**WWAY**: A Postal Service truck caught fire last night while driving to a mail processing facility with mail from Leland. Viewer Ben Lewis sent us video of the fire. He says it happened on US 74/76 near the Brunswick/Columbus County line. The Postal Service says the contract driver called to say the truck's engine was on fire. While the flames damaged and destroyed some mail on the truck, They did not hurt the driver.

**EXAMPLE** Sector 2. Federal authorities are investigating threatening letters allegedly containing deadly ricin in Spokane, Washington, the FBI said Thursday. The FBI and the U.S. Postal Inspection Service are trying to find the source of the two letters.

#### May 16, 2013

Reuters: The Royal Mail moved a step closer to privatisation on Thursday after the appointment of a firm to set up an employee share scheme, one of the pre-conditions for a sale. Under the 2011 Postal Services Act, which paves the way for privatisation, some 10 per cent of shares in Royal Mail will be set aside for the employees of the company. Equiniti was appointed on Thursday to set up an employee share scheme according to the Royal Mail. An initial public offering of the group, which has around 150,000 staff and sales of 9.5 billion pounds, is expected to take place later this year, with British media reports valuing the group between two and three billion pounds. The Royal Mail said on Thursday that all options regarding the timing and details of the sell-off remained open, but the government remained determined to privatise the company this financial year. The Communications Workers Union, which represents about 120,000 Royal mail workers, opposes the privatisation plan.

## St the Postal Regulatory Commission:

- RM2013-2 Comments of the Association for Postal Commerce http://www.prc.gov/docs/86/86986/PostComCmtsRM2013-2.pdf
- **RM2013-2** Comments of MPA The Association of Magazine Media (May 16, 2013) <u>http://www.prc.gov/docs/86/86970/13-05-16 MPA comments.pdf</u>
- R2013-6 Order No. 1717 Order Extending Deadline for Comments
   <u>http://www.prc.gov/docs/86/86980/Order\_1717.docx</u> | <u>http://www.prc.gov/docs/86/86980/Order\_1717.pdf</u>
- RM2013-2 Valpak Direct Marketing Systems, Inc. and Valpak Dealers Association, Inc. Comments on Notice of Proposed Rulemaking http://www.prc.gov/docs/86/86992/Valpak initial comments.pdf
- RM2013-2 Comments of the National Association of Presort Mailers http://www.prc.gov/docs/86/86991/NAPM Comments (R2013-2).pdf
- RM2013-2 Comments of Pitney Bowes Inc. http://www.prc.gov/docs/86/86989/PB Comments.pdf
- **RM2013-2** Initial Comments of the United States Postal Service <u>http://www.prc.gov/docs/86/86990/USPSComments.pdf</u>

<u>Timeliness of Mail Processing at the Hartford, CT P&DC – 13XG037NO000</u> -- Delayed mail adversely impacts mailers and U.S. Postal Service customers. Missed opportunities could cause some to seek

alternatives to the mail. Analysis of delayed mail identified the Hartford P&DC as a facility with high delayed mail volume. Our objective is to determine if mail at the Hartford P&DC is processed in a timely manner. To meet our objective, we will conduct interviews and perform analysis on mail volumes, work hours and trends. We will also conduct observations at the Hartford P&DC. The OIG is interested to know if delayed mail has caused you to miss payments. Have you missed out on sales because of late arriving mail pieces in your mailbox? Has delayed mail improved in your area?

Attention Postal One! Users: PostalOne!® Release 34.1.0: The release will include several infrastructure changes and be deployed during the scheduled maintenance window of 4:00AM CT to 9:00AM CT on Sunday, June 2, 2013 The infrastructure change which will result in a five-hour outage from 4AM to 9AM CT on Sunday, June 2, 2013. During this outage, PostalOne! will be unavailable including Mail.xml®, FAST® Web Services, and eDOC Services. PostalOne!® Release 34.1.0 for Test Environment for Mailers (TEM) will deploy on Monday, June 3, 2013. PostalOne! TEM will be unavailable from 4:00 a.m. through 7:00 a.m. CT.

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

**I**<u>ANSA</u>: A green initiative announced on Thursday by Padua mail services aims at cutting down on the province's carbon footprint and at facilitating the tedious task of paying bills, postal authorities said. Residents in the Veneto city of Padua and nearby towns of Monselice and Citadella will be able to pay their utilities from the comfort of their own home, using a postal-issued credit card or pre-paid card, directly to the postman. By booking the service through a call center or online, residents can pay the mailman, equipped with a handheld computer.

**TMCNet**: Anyone who tells me that e-mail is a rock solid option for communication should be smacked upside the head with a bundle of the latest catalogs and other "junk" delivered by the U.S. Postal Service. Businesses need to re-examine their relationships with e-mail and "snail mail." E-mail may be faster and more convenient, but it doesn't have the reliability of a phone call or paper mail – and please don't try to tell me otherwise. Email's downward fall is due to its cost and convenienceBut it's TOO easy. Convenience has lead to volume. And volume leads to personal filtering and upstream/ISP spam filtering, not to mention the overhead (headache) of processing hundreds of e-mails per day if you're any sort of knowledge worker. When carefully done, a postcard mailer can get me to websites to get more information rather than hitting the delete key on a piece of e-mail.



	of Directors hat Others Say ostCom

What They Think: Many companies have worked hard to optimize their mailing costs, but efforts have primarily been focused on large mailings such as statements, bills, catalogs and direct mail, as well as individual campaigns of other types. A significant amount of ad hoc mail--that is, mail generated in small quantities by distributed office workers--enters the mail stream at full postal rates. During this session, you will learn how savvy companies are capturing ad hoc mail for centralized printing and mailing. This allows them to optimize postal costs, reduce the overall cost of printing, and improve the productivity of the workers generating ad hoc mail. This is a session you will not want to miss.

**Post & Parcel**: Swiss Post has signed an agreement with Pitney Bowes Limited and Pitney Bowes Ireland Limited concerning the purchase of their mailroom and document management business in the United Kingdom and the Republic of Ireland. The purchase is expected to conclude in summer 2013 after all conditions to closing have been fulfilled. The Swiss Post Group unit Swiss Post Solutions supports business customers with postal services at the interface of the physical and the electronic realm. It operates in all major economic regions across more than 20 countries. Swiss Post Solutions specialises in document management related business process outsourcing. In this takeover, it is strengthening its international market presence, its core markets abroad being Germany, the UK and the USA.

Sky News: The privatisation of Royal Mail will take another step forward on Thursday when the company hands over responsibility for creating one of Britain's biggest-ever employee share ownership schemes.

**Omaha World-Herald:** More than a decade after a string of mailbox bombings injured people in Midwestern states, a judge will reconsider whether the former college student accused of carrying out the terrifying campaign is mentally competent to stand trial. U.S. District Judge Mark Bennett informed attorneys in March that he intends to order a competency hearing this year for Lucas Helder, 32, who has been committed to a federal institution for treatment since 2004, court records show. The hearing will examine whether Helder's mental health has improved enough to allow him to understand the proceedings and aid in his defense, a constitutional right guaranteed for every defendant.

<u>The Mirror</u>: Deputy PM Nick Clegg was branded "worse than Thatcher" for backing privatisation of the Royal Mail today. The coalition wants to flog the organisation off by next March in moves campaigners fear will jack up stamp prices and cut services.

#### May 15, 2013

**Insider Monkey:** When we want to ship a package there are only a few options to choose. One of those options is the United States Postal Service, or USPS; an affordable way for those people who don't need to deliver their packages quickly, and want cheaper standard shipping options. But the USPS has seen some problems in funding from the government, and people prefer to use other shipping service methods. Two of these shipping services that have seen huge demand are FedEx Corporation and United Parcel Service, Inc. Both of these companies seem to be better choices for getting packages to consumers quicker than the USPS. The downside is that they charge more, and

even though you get an estimated delivery date it is not always accurate.

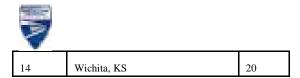
At the Postal Regulatory Commission: <u>Docket No. R2013-6</u> "Notice Of Price Adjustment (Technology Credit Promotion)" --Yesterday, several parties filed a joint motion to extend the deadline for filing comments in this docket from May 17th to May 24th. The Postal Service does not oppose this motion. If the Commission grants the motion and expects that the extension will result in a delay to the Commission's final order, the Postal Service requests that the Commission set forth a new anticipated date for its final order, so that the Postal Service can adjust its implementation plans accordingly."

**BABCAction News:** A United Parcel Service senior supervisor at a Brooksville center knowingly supplied his keys and information that led to the theft of thousands of dollars in high value goods waiting to be shipped to Central Florida customers, according to a police statement. The thefts occurred on December 23 and March 17 at the facility at 7230 Broad Street in Brooksville "by an unknown suspect(s) who used a key to enter the business, business office, and safe, used to store high value items..."

**PRNewswire:** As a prelude to National Dog Bite Prevention Week, the Postal Service released its dog attack city rankings today and urged pet owners to help reduce the incidence of dog bites to letter carriers.

Ranking	City, State	Attacks
1	Los Angeles, CA	69
2	San Antonio, TX and Seattle, WA	42
3	Chicago, IL	41
4	San Francisco, CA	38
5	Philadelphia, PA	34
6	Detroit, MI	33
7	St. Louis, MO	32
8	Baltimore, MD and Sacramento, CA	29
9	Houston, TX and Minneapolis, MN	27
10	Cleveland and Dayton, OH	26
11	Buffalo and Brooklyn, NY	24
12	Denver, CO	23
13	Dallas, TX and Tacoma, WA	21

Fiscal Year	2012 U.S. Postal	Service Dog	Attack City	Ranking
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- <u>Review of the US Postal Service Knowledge Management Process 13RG019DP000</u> -- Our objective is to assess the U.S. Postal Service's knowledge management practices, systems, and roles and responsibilities. We believe this is an opportune time for OIG to assess the Postal Service's knowledge management process because knowledge management can be used to improve performance, add to the competitive advantage, and further innovation. Your input will be helpful in our review of knowledge management in the Postal Service.
- <u>Report Number DR-MA-13-002 U.S. Postal Service Parcel Delivery Lockers Management Advisory</u> --"The parcel locker concept has significant potential; however, while the pilot has thus far provided some operational insight, it has been limited and user adoption has been very slow. Additionally, lessons learned

from other posts that have implemented parcel lockers have not always been considered or incorporated into the pilot. For example, the Postal Service has not made adjustments to simplify its complex registration process, even though two-thirds of registered users gave up on their registration before finalization. These issues have not yet been explored because management wanted to limit the initial functionality of the pilot to evaluate operational strategy. The experiences of other posts indicate that broadening the options tested during the pilot may be warranted. Exploring greater possibilities with parcel lockers could allow management to evaluate additional revenue generating and cost sharing arrangements and give them a more informed basis for implementing gopost on a broader scale. Cost avoidance opportunities related to reduced missed deliveries and lower labor rates may further support the business case. We estimate they could avoid annual labor costs of between \$147,000 and \$634,000 for the 13 locations.

Parcel Capacity in the Processing Network – 13XG036N0000 -- Strong customer demand for goods purchased over the Internet has driven growth in the package market in an otherwise declining mail market. This growing package segment provides the Postal Service an opportunity to help counter the reduction in First-Class Mail and the flattening of Standard Mail® volume. Customer expectations for the package business, however, are rising through demands for free shipping and increased tracking and visibility capabilities. As the volume of shipments and customer expectations continue to grow, so does competition between the Postal Service and other leading package delivery providers. Our objective is to assess the Postal Service's parcel processing capacity. Specifically: \*Determine package processing efficiency.
 \*Determine if there is excess capacity in the network to handle an increased volume of parcels.

PCC Representatives, We are happy to offer you an opportunity to attend attended workshops via webinar. They are approximately one hour in duration and you can click the link below to register for the topic of interest to you. Registration is limited to the first 500 attendees. We will consider repeating popular sessions based on availability and interest. As we strive to educate a broader audience, a recorded version of each of these sessions will be posted at a later date on the National PCC website and RIBBS.

Торіс	Presenter	Date	Time	Click the link below to register
g it Simple: ACS Services – Il in the Service Type ID	Lisa West	Monday, May 20, 2013	1:00pm EST	https://usps.webex.com/usps/onstage/g.php?t=a&d=99
Anywhere/Pay Anywhere	Heather Dyer	Thursday, May 23, 2013	1:00pm EST	https://usps.webex.com/usps/onstage/g.php?t=a&d=99
ance and Progress: Visions Future of the Postal Service d the Mailing Industry	Kent Smith	Thursday, June 06, 2013	1:00pm EST	https://usps.webex.com/usps/onstage/g.php?t=a&d=99
g Started: Full Service for New Users	Robbie Butler	Friday, June 07, 2013	1:00pm EST	https://usps.webex.com/usps/onstage/g.php?t=a&d=99
nystifying the Gateway	Jennifer Howard	Tuesday, June 11, 2013	1:00pm EST	https://usps.webex.com/usps/onstage/g.php?t=a&d=99
oing the Benefits of Full Service	Lance Bell	Wednesday, June 12, 2013	1:00pm EST	https://usps.webex.com/usps/onstage/g.php?t=a&d=99
g an ROI from your PCC	Ellie Alexander, Kim Waltz	Tuesday, June 18, 2013	1:00pm EST	https://usps.webex.com/usps/onstage/g.php?t=a&d=99
ng and Understanding Mail Quality Reporting	Garrett Hoyt	Thursday, June 20, 2013	1:00pm EST	https://usps.webex.com/usps/onstage/g.php?t=a&d=99
ge with the Postal Customer cil Advisory Committee	PCC Leadership Team	Tuesday, June 25, 2013	1:00pm EST	https://usps.webex.com/usps/onstage/g.php?t=a&d=99

If you have any questions or need assistance, please email us at <u>pcc@usps.gov</u> and use "NPF Workshop" in the subject line.

PostCom @PostCom2: #USPS plans to automatically include, at no charge, \$50 or \$100 of insurance coverage with most Priority Mail pieces <u>http://www.prc.gov/Docs/86/86973/Order\_No\_1714.pdf</u>.

Attention Postal One! Users: The Business Customer Gateway/eAdmin Release 4.4 will be deployed to Production on Sunday, June 9 during maintenance outage window from 4:00 a.m. to 8:00 a.m. CT. There will be an outage and the application will be unavailable during the deployment. Users may experience intermittent service. The Business Customer Gateway has been redesigned to provide a new look and feel, simplifying the registration process. Release Notes for the Business Customer Gateway/eAdmin regarding the new functionality and enhancements for the new redesign will be provided prior to deployment.

Wall Street Journal: A spate of controversies threatens to swamp Obama's agenda and give the GOP a chance to galvanize its base ahead of the battle for control of Congress. [EdNote: In other words, don't expect our politicians to focus much energy on postal reform as long as the congressional leadership brass ring is still in play. What's on Congress' mind these days? (1) The AP-intelligence leaks issue. (2) Benghazi, Benghazi, Benghazi, Hilary Clinton. (3) The IRS scandal involving scuttling efforts by conservative groups to organize as non-profits. (4) The President's nonchalance regarding all of the above.]

Business Wire: Research and Markets (http://www.researchandmarkets.com/research/x4jtx6/2020\_foresight) has announced the addition of the "2020 Foresight Report: Post Office Financial Services" report to their offering. "2020 Foresight Report: Post Office Financial Services" The financial services sector represents a significant opportunity for much-needed additional revenue for postal operators, either directly or through alliances with financial institutions. Many postal operators are also being urged to offer basic financial services such as payments, savings and microfinance to combat social and financial exclusion, particularly in poorer countries, or to better serve more remote geographical areas and isolated social groups. There is a significant potential for partnerships between postal operators and financial institutions, even in markets where postal operators and postal banks already offer a range of financial services. Alliances such as these could produce major financial rewards and deliver social dividends. For instance major banks in the UK such as Bank of Ireland, Barclays, Halifax, HSBC and Lloyds have formed partnerships with the UK Post Office to offer financial services.

PRWeb: Datatech SmartSoft, the Canadian-owned leader in postal software and address accuracy technology, today announced two major new solutions for the Canadian market, along with a new website at <a href="http://www.smartsoft.ca">http://www.smartsoft.ca</a>. Frameworks Canada Mailers Edition is an expansion of their batch Address Accuracy software, frameworks Canada, which uses Point of Call data from Canada Post to validate postal addresses and generate Statements of Accuracy (SOAs). The new Mailers Edition adds Postal Presorting functionality, enabling mailers to claim Canada Post Incentive Mailing discount rates, whether they are using Incentive Lettermail, Addressed Admail or Publication Mail services. The SERP Recognized software produces all required postal reports and documentation, including the Statement of Mailing.

Business Wire: PostNord reported stable net sales for the first quarter of the year, excluding currency effects. This was achieved in a market experiencing a continued decline in mail volumes and during a period with fewer business days than the corresponding period last year.

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

Deutsche Post's CEO Frank Appel was satisfied with the first quarter results, which were disclosed on Tuesday this week. Despite a stagnating revenue (13.44bn euros, +0.6%), Deutsche

Post increased its operating result by 2.9% to 711m euros. This was attributable to volume and revenue gains generated by the international express business as well as the parcel segment in Germany.

• According to unanimous media reports, the post's president Atsuo Saka has to hand in his resignation in the course of the the general annual meeting at the end of June. Saka, who only held the position since December 20 2012, reportedly already agreed to do so.

Royal Mail have been testing investor appetite here, in Canada and the United States'. The government would prefer to keep Royal Mail British. However, should the union continue its fight against an IPO, the government would search for alternatives like the sale to a sovereign wealth fund or other institutional investors.

Massive protests against the post's privatisation forms up in Portugal.

The Polish post still struggles to meet the quality targets for standard mail, despite significant improvements.

The Romanian capital Bucharest saw spontaneous protests by postal workers. They are afraid of jobs cuts and unpaid overtime in context with the cuts, announced by Posta Romana recently. DHL plans to introduce a return fee. Business clients of DHL Parcel in Germany are to pay a return fee in the future, e.g. if customers refuse the package or if the delivery address is not correct. In these cases DHL plans to levy a fixed fee of four euros per package from July on.



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.)

#### May 14, 2013

**Times of India:** A daylong workshop was organized at the Post Master General's office to make postal inspectors aware of new technologies and methods to be introduced soon in post offices. The workshop also aimed that their understanding of changes in Department of Posts. Under IT Modernization Project-2012, Branch Post Offices located in rural areas would be made high-tech and netbooks and hand-held devices would be provided to these offices. Not only this, branch post offices would get mobile thermal printer, smartcard reader, finger-print scanner, digital camera etc for signature/ document scanning and making transactions. Very soon Post offices would be

linked under core banking solution, which would bring revolutionary changes in banking at rural level.

Z At the Postal Regulatory Commission: R2013-6 Joint Motion for Extension of Time http://www.prc.gov/docs/86/86971/MotionForExtension.pdf "The Commission's Rules of Practice, the Association for Postal Commerce ("PostCom"), on behalf of the Direct Marketing Association ("DMA"), the Magazine Publishers of America, Inc. ("MPA"), the National Association of Presort Mailers ("NAPM"), and the National Postal Policy Council ("NPPC") (collectively, "Supporting Associations") hereby requests that the Commission further extend the deadline for comments to May 24, 2013."

Kent News: Once upon a time, receiving an email was a thing to treasure. It meant you and the sender were a variety of things, but most of all you were relatively cutting edge. But then it became mainstream. And the second it became mainstream it meant all those things you used to get crammed through your door or stuffed inside magazines (which would then inevitably go spilling out over the floors of WHSmith when you had a sneaky little nose through while you were waiting for the train) stopped being printed and turned into emails. What's more, before long, they were joined by every other Tom, Dick and penis-enlarging-promising Harry in the world all sending their emails too. Buy dodgy MP3s once from a dubious site online probably run by the Russian mafia? Well your email address was now doing the rounds on million-deep mailing lists which were being distributed to anyone and everyone. The rest, as they say, is history. Today, most people's in-boxes are like the iceberg which sank the Titanic.

**The Independent**: A rift between members of the board of Uganda Posts Ltd (UPL) commonly known as Posta has left the re-appointment of the managing director in a balance. Mr James Arinaitwe's contract expired on March 31 and was purportedly renewed by the board but the Ministry of Finance wants the re-appointment to be put on hold until his management is cleared by a new special audit. A source close to the board says that while supporters of the managing director - mainly the chairman, and some representatives of the Ministry of Information, Communication and Technology - want him to stay on, those from the Ministry of Finance are against it, citing mismanagement, fraud and poor corporate governance.

Hannibal Courier-Post: The U.S. Postal Service has notified residents in another Hannibal neighborhood that their home mail delivery will be discontinued, starting Tuesday, May 14. Two people who live on New London Gravel Road reported receiving letters Monday stating that their mail delivery is being "temporarily suspended" because a "city-deemed dangerous animal" lives in the proximity of their residence.

**Salt Lake Tribune**: A lot of Utahns are perfectly happy to bypass the Post Office when they want to buy stamps or take other steps to use the mail. Almost 64 percent of all postal retail sales in the Salt Lake District of the Postal Service now take place other than a Post Office retail counter, according to the U.S. Postal Service. The Salt Lake District includes all of Utah and southern Idaho.

**Beaumont Enterprise**: Beaumont's mail processing and distribution center on Walden Road could see the chopping block soon if the U.S. Postal Service sends what's left of its operations to Houston - the latest in a series of defections of high-profile infrastructure pieces to Houston. Thirty-one employees could lose their jobs if the USPS approves the transfer, according to a news release.

WAToday: Australia Post is employing unskilled workers on 457 visa holders to deliver parcels and sort mail, according to a union, which says they are being used to drive down the postal service's costs. The Communication Workers Union says Australia Post is one of many large companies deliberately turning a blind eye to contractors employing overseas workers on the visas.

**Post & Parcel**: The trial of automated parcel locker terminals at the US Postal Service has seen a "very slow" uptake by consumers, according to an audit by the Inspector General. The Postal Service launched a trial under the brand "GoPost" in Northern Virginia in February 2012, and since then has deployed 13 of the terminals that aim to make it more convenient for consumers to receive parcels. The free service allows customers to have parcels – such as e-commerce purchases – delivered to a bank of lockers located in shopping centres or post offices, for collection 24-hours a day. They receive a personal identification number with which to access the parcels from the right locker. An additional 12 parcel locker terminal locations are planned for the trial, which has expanded to New York this year. It warned that the registration process for the GoPost service was "complex", and that the Postal Service had not attempted to simplify it, even when two in three people gave up on their registration before finishing.

Pushing the Envelope: Money Orders 2.0 "Money orders are a safe and convenient way for customers to make payments or forward cash. This modest and longstanding postal product has quite a notable history. The government established the United States Money Order System in 1864 to allow Union soldiers to send money home to relatives and to reduce the risks associated with sending cash through the mail. In today's era of digital communications and mobile banking, the money order might seem like a passé postal product. However, it remains a popular and vital offering. Money order sales average about \$22.4 billion a year, with the Postal Service earning about \$135 million a year in revenue from fees. Customers can buy money orders at a local Post Office facility, branch, station, and from rural carriers using cash, U.S. Treasury checks, Traveler's check, American Express gift checks, and pin-based debit cards. The Postal Service does not accept payment by check or credit card for money orders are one of the few postal retail products not available online but require an in-person purchase. These and other safeguards were put in place to guard against unauthorized use of money orders and to protect the integrity

of the system. Our recent audit report, Controls to Detect Money Order Fraud, found that some of the Postal Service's current controls fall short in detecting fraud in a timely manner. The report highlighted that safeguards remain important in curbing the opportunities for misuse of money orders. It might be time to find the right balance between providing the public the access it expects in today's digital world and preserving the safeguards needed to lower fraud and preserve security."

Postal Technology International: Isle of Man Post Office is hosting the inaugural Small Posts & Islands Postal Forum, which kicks off today (14 May) at the Sefton Hotel with an opening by the Chief Minister. The three-day forum will see more than 30 delegates attending from Posts from around the world including the Seychelles, Swazi, Barbados, Switzerland, the Falklands and Estonia. The event provides an opportunity for small postal administrations to discuss and share their common challenges and to explore the opportunities there may be to work together. Isle of Man Post Office agreed to plan and host the event after speaking to Derek Osborn, a leading postal authority, believing that there was a gap in the conference market for such an event. The forum is by invitation only and is aimed at key decision makers and senior officials from postal administrations around the world.

Financial Times: After nearly 500 years in state hands, Royal Mail, the world's oldest postal service, is close to being privatised. Can anything stop the sale? The coalition hopes to achieve a stock market flotation this autumn. Vince Cable, business secretary, says it is "aiming to sell a majority of the ownership" though no decision has been made on exactly what percentage to sell initially. Observers think the company, whose fortunes have been improving as a result of modernisation and the boom in internet-related packet deliveries, could be worth £2bn-£3bn.

**RTT** News: Courier giant Deutsche Post DHLTuesday reported a decline in its first-quarter profit, amid a loss of around 2.5 working days in Germany as well as non-recurrence of a one-time gain last year. Revenues slightly increased mainly due to volume and revenue growth in international express business as well as parcel segment in Germany. See also <u>Reuters</u> and <u>Bloomberg</u>.

The Post: Thousands of letters and parcels went undelivered in Bristol over the festive period last year after an overworked postie stockpiled them at her home, a court heard. Investigators found more than 2,000 items of undelivered mail in the home and car of Amy Dark, 24, who struggled to cope with her delivery rounds two months into the job. As well as piling up mounds of mail at her home in Lawrence Weston, Dark opened 197 parcels and took their contents. Royal Mail investigators found DVDs, games, perfume and cables in her car, Bristol Crown Court heard.

The Moscow News: Workers at the beleaguered Pochta Rossii can't get into their offices and the postal service website is inactive a day after a fire was put out in the basement of its Moscow headquarters. Continuing electricity failures have disabled the website, while smoke at the premises is keeping employees from getting in.

#### May 13, 2013

**RIA** Novosti: Normally, you wouldn't catch me laughing when a building goes up in flames. Yet when it was reported that packages inside the central office of Pochta Rossii, Russia's beleaguered national postal service, were on fire today – I couldn't suppress a rueful giggle. At the very least, the fire was put out quickly and there were no victims. Unless you count Pochta Rossii's dignity. There is a simple lack of professionalism on all levels of the postal service. There is also the fact that any potential reform at Pochta Rossii will not be possible without reform at

the customs service.

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

Quarterly Performance Report, FY 2013, Quarter 2 http://www.prc.gov/docs/86/86968/First-Class\_Mail.zip http://www.prc.gov/docs/86/86968/fy2013-q2-performance-usps.com-pdf-files.zip http://www.prc.gov/docs/86/86968/Letter QuartPerf FY13 Q2.pdf http://www.prc.gov/docs/86/86968/Package\_Services.zip http://www.prc.gov/docs/86/86968/Periodicals\_Mail.zip http://www.prc.gov/docs/86/86968/Special\_Services.zip http://www.prc.gov/docs/86/86968/Standard\_Mail.zip

Financial Times: The instructions are in the post. Well, not quite. But Royal Mail is inching towards privatisation, with the appointment of a bookbuilding syndicate of banks likely within weeks. Already the UK stateowned institution is sounding out investors informally. Business minister Michael Fallon reports interest from overseas buyers, although the official preference is for a float in which employees and private investors end up owning much of the business. Achieving that will require skilful politics. Customers worry that services will suffer in pursuit of profits, while the main union is hostile to ownership change. Still, Mr Fallon's declared aim is to introduce external capital during 2013-14. Market conditions, at least, look helpful.

The Motley Fool: Amazon uses both United Parcel Service and FedEx extensively. Using these shipping providers is not cheap for Amazon. If they want to save money on logistics, they might be better off doing it themselves. Even if Amazon does go ahead and start doing some of its own logistics, look for both UPS and FedEx to provide some subsidiary services to the company. Amazon isn't going to be able to cut these two companies completely out of the equation. But Amazon does want to cut logistics costs. Amazon Prime costs customers only \$79 per year and gives them access to free two-day shipping. It's a great deal for people, but can add up over time for Amazon, and the company knows that.

Business Wire: Quad/Graphics-Bogotá will become Colombia's largest commercial printer in terms of production capacity after it installs a new, highly productive 64-page web offset press this year.

New York Times: As the major television networks prepare to unveil their new fall lineups in New York this week, they face threats from seemingly every corner. Prime-time ratings for the Big Four broadcasters — ABC, CBS, NBC and Fox — together are dropping more precipitously than ever. Advertisers are moving more cash to cable, cutting into the networks' quarterly profits. New technologies are making it easier to skip those ads, anyway.

LondonLovesBusiness: Union opposition may force ministers to backtrack on plans to list the Royal Mail on the stock exchange, business minister Michael Fallon has warned. If this pressure does not ease, Fallon claims that the government will have to adopt a "Plan B" approach, which would see Royal Mail at least partially sold to private investors and not listed.

Financial Times: The Post Office will charge a fee for two of the three current accounts it will launch this year. The accounts, which are provided in partnership with Bank of Ireland UK, will be available in 29 branches in East Anglia, before a roll out across the UK's network of 11,500 branches in 2014.

The Star: State-owned Postal Corporation of Kenya expects to rake in Sh3.5 billion revenue by end of financial year ending June 2013 a 9.4 per cent increase from last year's turnover. Postmaster general Enock Kinara said that while agency business has helped supplement income for Posta, the bulk of the revenue collected was due to its core business of mail and courier.

Post & Parcel: Improving operating results at the US Postal Service demonstrate the "absurdity" of further degrading the US mail network, according to postal union boss Frederic Rolando. Rolando, president of the National Association of Letter Carriers, said the results showed the improving financial picture as the US economy recovers.

Conservative Home: The 2011 Postal Services Act was passed with little fanfare or debate. The product of a Liberal Democrat Secretary of State following the failed policy of the last Labour Government, it was also our coalition partner that steered that legislation through Parliament. Since that time there has been little political debate about the merits of privatising Royal Mail. We have gone from an unheralded Act of Parliament to an equally unheralded privatision without fully considering the impact this might have on the postal service itself and on our party, particularly in rural areas. It is of great importance that the Conservative Party and the Government pause and consider the implications of pushing through privatisation at this time. It is likely to be deeply unpopular with the

British public, prices will rise at a time we can least afford it, an amenity that many communities consider crucial will be removed and a sell off will also impact on the significant heritage of Royal Mail. Privatisation now, carried out in this manner, is likely to swiftly form a poisonous legacy for this Government, and a poisonous legacy for the Conservative Party going forward.

#### May 12, 2013

The West Australian: Britain's Royal Mail could fall into foreign hands if trade unions continue to fight plans to launch an initial public offering (IPO) of shares on the London Stock Exchange, Britain's Observer newspaper reported. In an interview with the paper, British business minister Michael Fallon said that several overseas buyers had expressed "significant interest" in buying the 497-year-old postal service. He added that Royal Mail boss Moya Greene had already embarked on a global roadshow promoting the business to sovereign wealth funds, foreign trade buyers and institutional investors.

**CBS47**: Stamp Out Hunger collects tons of food. [EdNote: The nation owes its gratitude to the men and women of the U.S. Postal Service who have made this year's food drive one of its most successful. In fact, the National Association of Letter Carriers were given PostCom's highest honor, its J. Edward Day Award, in recognition of NALC's pioneering work in this effort. From the millions across America who will benefit, thanks.]

**MSN** Now: Time to head on down to Costco and stock up on the Forever stamps. The U.S. Postal Service is considering hiking up postage prices again. And don't even think about complaining, because they tried to stop Saturday delivery and then everyone freaked out about it, so they backed off on that and now they have to compensate for last year's \$1.9 billion loss somehow. Right now, the rate increase is still just a proposal, but it could raise the cost of first class mail as well as business-issued periodicals, despite the Postal Service's fear that such increases could push customers to seek out digital alternatives.

#### Mary 11, 2013

Delivery Unit Optimization (DUO) Process – 13XG035DR000: In December 2010, the Postal Service<sup>™</sup> established guidelines for the Delivery Unit Optimization (DUO) initiative. The guidelines established a standardized program designed to increase operational efficiencies by relocating delivery operations into centralized facilities within the district. The Office of Inspector General (OIG) issued a report in December 2012 on the DUO process and recommended the Postal Service: 1. Revise delivery unit optimization guidelines to include a well-defined, consistent methodology for projecting cost savings and operational efficiencies. 2. Develop a process to ensure the revised guidelines are applied consistently and post consolidation reviews are performed to accurately validate savings and efficiencies. In March 2013, the Postal Service revised the applicable instructions for field implementation . The purpose of this DUO review is to assess the revised DUO guidelines and process for consolidating delivery units. What are your thoughts? How effective has the delivery unit optimization initiative been and what, if any, improvements would you suggest to the process?

**Times of Trenton**: As the U.S. Postal Service continues consolidating its mail processing facilities around the country, the agency has announced the mail sorting and letter-carrying operations of the Cranbury post office will be moved to the Hightstown post office on Aug. 10. The Cranbury office will continue to offer window service, and its hours are not likely to be reduced. As part of the Cranbury move, 14 employees will move to Hightstown, and more may be relocated after the merger takes place. USPS career employees cannot be laid off until their collective bargaining agreement expires in 2015. But they can be reassigned to other jobs or post office locations in a process known as "excessing."

Wall Street Journal: The U.S. Postal Service, scrounging to stem a tide of deep losses, said Friday that it may pursue higher stamp prices later this year if Congress doesn't pass legislation that helps the agency cut costs. The Postal Service projects it will have as little as three days of operating cash in October. "If legislation doesn't pass, we have issues to face in terms of cash flow," Postmaster General Patrick Donahoe said. "Everything has to be on the table." That could include raising stamp prices by more than just a penny or two. The Postal Service must seek special permission from a commission that oversees the agency to raise prices by more than the rate of inflation.

National Association of Letter Carriers: The Postal Service's financial report—which included the first revenue increase in five years—reflects an improving financial picture as the economy gradually improves. This positive trend undermines the doom-and-gloom scenarios postal critics cite—and it shows the folly of reducing services to Americans, as the postmaster general seeks to do. The report also shows the urgency of fixing the congressional mandate that the USPS pre-fund future retiree health benefits decades in advance. Prefunding—which no other agency or company is required to do—accounts for 90 percent of this year's red ink, according to the USPS report. The sharp rise in Postal Service package deliveries, which reflects the opportunities offered by the Internet, outpaced the two major private competitors. The report shows the USPS moving sharply towards breaking even, despite a still struggling economy. Instead of the postmaster general's "shrink to survive" strategy—which will only begin a death spiral for the USPS—what is needed is a dynamic business plan for the future to take advantage of the many opportunities for growth, including in the exploding package delivery market.

#### May 10, 2013

**INDUSTRYALERT** Please join us on Tuesday, May 14 at 10:30 AM (EDT) for a USPS discussion on Tech Credit. Cliff Rucker, Vice President, Sales, will discuss the strategy behind the "Tech Credit" promotion and its implementation plans. EVENT INFORMATION: Topic: "Tech Credit" Promotion Date and Time: May 14, 2013 10:30 AM, Eastern Daylight Time (New York) Call-in toll-free number (US/Canada): 1-877-668-4493 Access code: 996 277 159

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

- R2013-7 USPS-LR-R2013-7/1 Special Services Cap Compliance
   <a href="http://www.prc.gov/docs/86/86955/CAPCALC-SpecServ%20R2013-7.xls">http://www.prc.gov/docs/86/86955/CAPCALC-SpecServ%20R2013-7.xls</a>
   <a href="http://www.prc.gov/docs/86/86955/CAPCALC-INTLSpecServ%20R2013-7.xls">http://www.prc.gov/docs/86/86955/CAPCALC-SpecServ%20R2013-7.xls</a>
   <a href="http://www.prc.gov/docs/86/86955/CAPCALC-INTLSpecServ%20R2013-7.xls">http://www.prc.gov/docs/86/86955/CAPCALC-SpecServ%20R2013-7.xls</a>
   <a href="http://www.prc.gov/docs/86/86955/CAPCALC-INTLSpecServ%20R2013-7.xls">http://www.prc.gov/docs/86/86955/CAPCALC-INTLSpecServ%20R2013-7.xls</a>
   <a href="http://www.prc.gov/docs/86/86955/Preface">http://www.prc.gov/docs/86/86955/Preface</a>
   </a>
- National Trial Balance, March, 2013 (FY 2013); and Statement of Revenue and Expenses, March, 2013 (FY 2013)
   http://www.prc.gov/docs/86/86959/Letter\_NTB-SRE\_March2013\_20130510162350.pdf
   http://www.prc.gov/docs/86/86959/National\_Trial\_Balance\_- Redacted, March, 2013 (FY 2013).xls
   http://www.prc.gov/docs/86/86959/Statement\_of\_Revenue\_and\_Expenses\_- Redacted, March, 2013 (FY 2013).xls

**Slate:** It's a good time to ask the question of whether USPS' services—primarily subsidized mail and parcel delivery to rural areas, and subsidized delivery of print magazines—are really all that important in the present day. It seems to me that they aren't. Rural life in general already receives plenty of subsidy from the government. Since the main lobbying constituency for the Postal Service is basically the unions representing the people who work there, what we ought to do is privatize the USPS as a worker-owned firm. Then the key stakeholders could work on management reform to increase efficiency, would be free to abandon deadweight service obligations, and would be able to unlock the considerable value of the Postal Service's real estate portfolio.

Multichannel Merchant: Megan Brennan, Chief Operating Officer for the U.S. Postal Service came to speak at the American Cataloger Mailer Association's National Catalog Forum in Washington D.C. on May 8. Her presentation provided an extensive amount of information about the future of standard flats and the FSS. The implementation of technology is transforming the future of USPS with the use of Auto Package Process System(APPS) and Flat Sequence System (FSS). According to Brennan's presentation, the use of APPS enhances recognition and visability capabilities, it reduces bundle breakage and moving mail from non-automated facilities. The FSS is an element of the automation platform responsible for driving success in reducing delivery infrastructure and costs. The implementation of the FSS would result in cost reductions in delivery routes and delivery unit consolidation and career office time. It would also have significant reductions, according to Brennan's presentation. Savings in 2,400 zones running on FSS daily, 38K city carriers receiving sequenced flats, 4,359 city routes eliminated, an annual reduction of 10 million in-office sequenced flats and annual reduction of over 1 million in-office hours.

**Detroit News:** The U.S. Postal Service added to its losses in the second quarter and is closer to needing "extreme action" to keep it afloat, Postmaster General Patrick Donahoe said. Donahoe said that without legislation to change the service's business model, mounting losses will necessitate heeding the postal board's call to ask labor unions to reopen contracts and to consider raising postal rates. "At some point our financial liabilities become so large that they cannot be fixed without taking extreme action," Donahoe said Friday at a board meeting in Washington. "We don't want to get to the point where extreme action is the only option."

Bloomberg Businessweek: Postmaster General Patrick Donahoe may soon be forced to choose which laws to flout to keep the barely solvent U.S. Postal Service running. With the service on pace to almost run out of operating cash in October, Donahoe may have to decide whether to make unilateral changes without congressional consent. The mothballed restructuring plan calls for the Postal Service to end Saturday mail delivery, raise stamp prices to 50 cents, close and sell unprofitable post offices and excess processing facilities, cut 155,000 jobs by 2016 and leave the U.S. government health plan to create its own. While **lawmakers** have pushed the service to return to profitability, they **have stood in the way** of each of those steps, worried about the political consequences of cuts that affect their constituents.

**Jacksonville Business Journal:** The U.S. Postal Service's \$1.9 billion loss in the second quarter proves that Congress "can't afford to wait any longer" to pass postal reform legislation, said Sen. Tom Carper, D-Del. The Postal Service agrees with Carper that postal reform needs to happen sooner, rather than later. Sen. Tom Coburn, R-Okla., said the Postal Service shouldn't wait "on a parochial-minded Congress." It "must immediately take steps within its control to secure additional revenue and achieve cost savings, including potential action to secure additional revenue through price increases," said Coburn, the ranking Republican on Carper's committee. "I will continue to support giving the Postal Service the independence it needs to ensure its long-term viability."

Washington Post: The key committees of both the House and Senate sides have held hearings in recent months on the Postal Service's financial situation, with leaders expressing hope that legislation can be enacted this year. The six-day mail delivery issue has proven to be a major barrier, however. Last year, the Senate approved legislation that would have delayed five-day mail delivery for two years while trying out other cost-saving tactics. A House bill that would have ended Saturday delivery right away never reached a floor vote. [EdNote: "Expressing hope...."

Hmmmm. And I'm sure those on the Titanic were expressing hope after the ship hit the iceberg.]

Attention Postal One! Users: PostalOne!® Release 34.1.0: The release will include several infrastructure changes and be deployed during the scheduled maintenance window of 4:00AM CT to 9:00AM CT on Sunday, June 2, 2013 The infrastructure change which will result in a five-hour outage from 4AM to 9AM CT on Sunday, June 2, 2013. During this outage, PostalOne! will be unavailable including Mail.xml®, FAST® Web Services, and eDOC Web Services.

**CNN** Money: The U.S. Postal Service board will look into hiking postage prices on all types of mail, as losses continue to plague the agency, the chief of the board said Friday. **Mickey Barnett said the board has directed the service to ''evaluate price increases,''** even though "as a board we are loathe to pursue this approach." Postal officials worry that higher prices will chase customers away. The proposal comes after the Postal Service shelved a plan to end Saturday service when it became clear it didn't have legal authority to do so. The move to hike prices would go beyond the regular increases tied to the rate of inflation. It would affect those sending first-class mail, the most common type of mail consumers use, as well as businesses that mail periodicals, newspapers, magazines and marketing material.

Press Release: The U.S. Postal Service ended the second quarter of its 2013 fiscal year (Jan. 1 – March 31) with a net loss of \$1.9 billion. The Postal Service continues to grow revenue and reduce expenses by using the tools available to it under existing law. However, without passage of comprehensive legislation to provide the Postal Service with a workable business model for today's marketplace, large quarterly financial losses will continue. "To return the Postal Service to solvency requires a comprehensive approach, which is reflected in our updated Five-Year Business Plan," said Postmaster General and CEO Patrick Donahoe. "The plan provides an achievable roadmap to restore financial stability and preserve affordable mail service for the American public. The major elements of the plan must be pursued and executed within a short window of opportunity to avoid unsustainable

losses and potentially becoming a long-term burden to the American taxpayer." The Postal Service needs to save \$20 billion annually by 2016. Many of the savings cannot be achieved without the following legislative action. The Postal Service has already reached its debt limit of \$15 billion. It also has defaulted on \$11.1 billion due for retiree health benefits in 2012 and also expects to default on an additional \$5.6 billion on September 30, 2013. In addition, the Postal Service owes an estimated \$17 billion on future workers' compensation claims. "These obligations of nearly \$50 billion and continuing losses highlight the need for immediate legislative reform to give us the latitude to execute on our Five-Year Plan and improve our ability to repay these obligations and return to profitability," said Chief Financial Officer Joe Corbett. *[EdNote: And Congress says: "Yawn."]* 

DMM Advisory: IMb<sup>™</sup> Services Update. Update: Full-Service System Upgrade — The Full-Service system upgrade began on Saturday, May 4, 2013, and was successfully completed on Monday, May 6, 2013. During this period, Full-Service mailers did 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 began to receive and have access to new data, but the data will not be current until Saturday, May 11, 2013. Access to existing data was not affected during the upgrade period.

Sen. Thomas Carper: Today, Homeland Security and Governmental Affairs Committee Chairman Tom Carper (D-Del.) and Ranking Member Tom Coburn (R-Okla.) released the following reactions to the announcement that the U.S. Postal Service lost \$1.9 billion in the second quarter of fiscal year 2013:

"Today's announcement that the U.S. Postal Service lost \$1.9 billion in the second quarter of Fiscal Year 2013 shouldn't come as a surprise to anyone," said Chairman Carper. "While this quarter's losses are less compared to the \$3.2 billion lost this time last year, a \$1.9 billion dollar loss is nothing to celebrate. The reality is that any decline of revenue at this rate is unsustainable and threatens the Postal Service's long-term viability. As I've said time and time again, Congress and the Administration need to come to agreement on comprehensive legislation that reforms, right-sizes and modernizes this American institution. Although the Postal Service has seen an increase in revenue from package delivery – which is encouraging news -- much more must be done to make its outdated business model financially viable long term. It is critical that we complete the difficult work ahead of us and find a solution to the Postal Service's serious but solvable financial crisis as soon as possible – and today's financial report should underscore that sense of urgency. We can't afford to wait any longer."

"Today's announcement clearly demonstrates why postal reform is imperative. Unfortunately, this \$1.9 billion loss in the second quarter of this fiscal year is only a small fraction of the \$15.8 billion the Postal Service has lost since last year," Dr. Coburn said. "While reform is necessary, the Postal Service should not wait on a parochial-minded Congress and must immediately take steps within its control to secure additional revenue and achieve cost savings, including potential action to secure additional revenue through price increases. I will continue to support giving the Postal Service the independence it needs to ensure its long-term viability."

**WECT**: For now, the United States Postal Service is no longer making changes to retail hours at post offices in the eastern part of NC, according to a news release from USPS officials. The news comes after it was recently announced that several area post offices would close early on Wednesdays and completely on Saturdays, starting May 18, in an effort to save money.

Engadget: Remember Data.gov? The President does, and he has issued an executive order that should give the information portal a shot in the arm. Starting this week, new and modernized Government information systems should use open and machine readable formats by default, adhering to the guidelines of a new Open Data Policy. The policy requires agencies to use open, machine readable formats that are non-proprietary, publicly available and unrestricted, and aims to put useful data in the hands of US companies while increasing privacy and security. According to the White House blog, this means new data will be served in CSV, XML, JSON and other machine readable formats, and will even be accessible via API in some situations.

**<u>Times Herald-Record</u>**: Unionized U.S. Postal Service workers and members of other unions rallied Thursday to save the Postal Service's local processing and distribution plant from consolidation or closure.

Money Life: India Post needs to overhaul its services and become more efficient than private couriers. When it reaches such a stage, private banks will then approach the government to seek permission to open branches attached to India Post offices. One may surmise the reason for the ministry of finance's reaction in this fashion. India Post has suffered a loss of Rs6,346 crore in 2011-12 and it may have increased further for the year ending March 2013. Details will be probably known by September this year. Due credit must be given to India Post, the world's largest postal service, covering the whole country reasonably well at throw away prices! However, the major problem actually refers to its inefficient, non-imaginative and inefficient administration which has hardly any motivation to perform well. In effect, it is not profit-oriented. The postal employee, who gets the benefit of being a government servant, has practically trouble free life long service with increments and periodic promotions. S/he has no need to do customer service gimmicks and is not answerable for their poor service in terms of 'lost' or 'delayed' mail or service.

Wall Street Journal: Prime Minister Shinzo Abe & Co. have their hands in the personnel affairs of one of Japan's biggest financial entities yet again. This time, however, it's not the Bank of Japan. In the Abe administration's crosshairs is Atsuo Saka, head of Japan Post Holdings Co. Mr. Saka, less than six months into his new job, has been politely asked to relinquish his power at the top of the country's postal service, the world's largest bank and an insurance business – all of which fall within the mammoth corporation's reach. Commercial banks and insurers, including foreign firms, have long complained that the group had an unfair advantage given the de facto government backing it enjoys. Shortly before Japan won U.S. support to enter talks to join the U.S.-led Trans-Pacific Partnership free trade bloc, the government decided not to allow Japan Post's banking and insurance arms to engage in new businesses in an apparent nod to U.S. concerns.

## "Those who actively pursue security lose it." -- Bayard Rustin

New York Daily News: Snail mail is about to get even slower in Brooklyn. The cash-strapped United States Postal Service's consolidation plan for its East New York mail processing plant will involve shipping all local mail to Manhattan for sorting before it is brought back to Brooklyn, beginning this fall. The American Postal Workers Union Brooklyn Branch is already slamming the plan.

**The Nation**: Congressman Peter DeFazio has always been a stalwart defender of the United States Postal Service. As a veteran lawmaker and one of its most determined advocates for public services in the House, he knows that the postal service is an essential asset. But he also knows that the USPS "is in a financial death spiral, caused largely by Congressional and bureaucratic ineptitude and inaction." The congressman has battled the bureaucrats with some success. Along with Vermont Senator Bernie Sanders and Wisconsin Congressman Mark Pocan, DeFazio was in the forefront of the successful fight to block the Postmaster General's wrongheaded proposal to end Saturday mail delivery. He even found some rural Republican allies for that skirmish. But the Oregon Democrat knows it's going to take more than defensive moves by Congress to save the USPS. To that end, DeFazio has introduced the Postal Service Protection Act, a detailed proposal to "sustain the postal service, avoid unnecessary closures that hurt rural communities, and save American jobs."

# **From the Federal Register:**

Postal Service	
NOTICES	
Meetings; Sunshine Act,	
27444 [2013–11216]	[TEXT] [PDF]



PRNewswire: If they try it, they'll buy it. That's the message the U.S. Postal Service is sending to consumer

packaged goods companies and other marketers with its Product Samples mail promotion. Designed to re-invigorate product sampling through the mail, the Product Samples promotion — running Aug.1 – Sept. 30, 2013 — gives marketers a 5-percent upfront postage discount on qualified mailings of product samples. Qualified samples must be trial-sized. Registration for the Product Samples mail promotion is now open.

**The Reporter**: On Saturday, the nation's 175,000 letter carriers will collect food donations left at the mailboxes of Americans in more than 10,000 communities and deliver them to food banks and other hunger relief organizations. To participate in the Helping Stamp Out Hunger drive, residents should leave a bag of nonperishable food by their mailbox on Saturday. Examples of non-perishable items include peanut butter, canned soup, canned meats and fish, canned vegetables, fruits and juices, boxed goods (such as cereal), and pasta and rice.

**WWAY**: As the US Postal Service continues to face significant financial problems, several area post offices will scale back hours.

Rewired Hollywood Reporter: Oscar de la Renta has dressed the likes of Cameron Diaz, Emma Watson, Jessica Chastain and Oprah. Now the Dominican designer is putting his polished and feminine fashion touch on paper with an exclusive runway-inspired collection for Paperless Post. Launching with 50 original designs, the collaboration draws from de la Renta's abode in Punta Cana as well as his fall 2013 bridal and ready-to-wear collections -- including a vivid pink silk faille ball gown with gold bullion embroidery that stunned New York Fashion Week. The design team at Paperless Post utilized fabric samples, embroideries and de la Renta's Chantilly, Alençon and Guipure laces to create the cards and stationary, all available as e-cards and through traditional methods like engraving, flat printing, letterpress and thermography. *[EdNote: Now I ask you. Do you really give a hoot?]* 

**Government Executive:** Sequestration cuts and a dramatic uptick in U.S. Postal Service departures have slowed progress in clearing the backlog of federal retirement claims, officials said at a congressional hearing Thursday. Ken Zawodny, associate director for retirement services at the Office of Personnel Management, said the across-the-board spending cuts have forced a ban on overtime for employees in his office. Overtime has played a critical role in reducing the backlog, Zawodny said. Additionally, an unexpected number of Postal Service employees have retired due to buyouts and other attrition tactics to reduce the USPS workforce. These retirements have added to the burden for OPM workers. OPM had previously set the goal of processing 90 percent of all retirement claims within 60 days by July 2013, an objective Zawodny no longer expects to reach.

May 9, 2013

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

- The Postal Service has responded to the Postal Regulatory Commission Chairman's Information Request (CHIR) in the Technology Credit Promotion filing before the Commission. These responses reflect what is currently on the record.
- According to William Holden, President & CEO of Holdenart, "it's essential to improve the customer's experience in any business when revenue is down. In the case of the USPS, that means providing more convenience and perfect delivery service. There is one thing that currently keeps this objective impossible: the address system. Even though an address is necessary to find a location, it's inconvenient to use and inefficient for actually contacting someone. Writing an address by hand is equivalent to calling a landline from a rotary phone. Mail Forwarding is similar to having a phone call rerouted from one landline to another. There are better ways to call and contact someone. The USPS has an opportunity to lead in a time when many believe it is becoming obsolete."
- Lawyer: USPS board members risked 'removal' over ending Saturday mail delivery. USPS reports on gift card market test. Fight against Valassis/USPS deal going to Capital Hill. The plight of the Postal Service. Last of a breed: postal workers who decipher bad addresses. Service standards changes last July cause additional delays for non-local mail copies. Rep. Bonamici tells carriers of need for postal service reform. USPS submits letter in GameFly complaint to PRC. USPS backs off from price-hike gambit. No Sample Showcase activity for USPS.

- 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</u> by email your name, company, company title, postal and email address. Get a chance to see what you've been missing.



The PostCom Bulletin is distributed via NetGram

**Repost & Parcel**: Royal Mail has welcomed new safeguards on the number of postboxes it must provide across the UK. Ahead of possible privatisation over the next 12 months, the company agreed with regulators that the current minimum requirements for postbox provision was "not fit for purpose". Ofcom proposed back in March that Royal Mail should be required to ensure 98% of all households across the country are within half a mile of a post box. Royal Mail, which is expected to see some kind of privatisation within the next 12 months, will have to comply with its **regulated service quality standards** – including the proposed **post box standards** – under any change of ownership. Its standards also include **requirements that 99.9% of delivery routes are completed each day, and that 99.9% of access points are served each day**. The UK also has requirements in place for Post Office Ltd to **provide a post office within a mile of 93.1% of the UK population, and within three miles of 99.7% of the population**. [EdNote: While the wisdom of crafting a written universal service obligation should be self-evident, apparently we here in the United States prefer a more loosey-goosey approach. It's a recipe for disaster, particularly amidst an ongoing search for alternative postal business models.]

**Yellow** Advertiser: Council leaders have hit out at Royal Mail for closing five of its delivery offices in Southend and Castlepoint. Royal Mail announced on Tuesday, April 30, it would be closing down delivery offices and centralising them to the Southend delivery office, in Short Street, as part of its £1.5 million modernisation plans. The postal firm had already shut down the Great Wakering delivery office in March this year but announced further closures to Shoeburyness, Leigh, Canewdon and Rochford last week.

**Times of Malta**: Maltapost has reported a pre-tax profit of  $\in$ 1 million for the six months up to March 31, an increase of 27.5 per cent over the same period in the previous year.

Wall Street Journal: United Parcel Service Inc. is rolling out a social networking platform that will allow many of its workers to discuss work-related safety and health issues. The system is intended to help truckers, packers and management post questions and comments on health and safety concerns. Workers will also be able to bring safety hazards to the attention of supervisors and discuss best practices for avoiding health and safety issues such as repetitive stress injuries and driver fatigue. Workers will be encouraged to offer criticism–feedback that the company refers to as "constructive dissatisfaction," UPS CIO Dave Barnes told CIO Journal. While it's commonplace for companies to introduce internal social media platforms to foster greater collaboration and efficiency, UPS is attempting to use the technology to help improve dialogue between workers and managers. Getting employees to use enterprise social networks has proven difficult in many companies, but it may be even more challenging for UPS to get employees to adopt the tool broadly because of earlier tension between management and labor on safety issues. The company plans to roll out the network to the company's health and safety managers first, and make it more broadly available across the company over the two months. "We're going to have an open platform so we can hear the best ideas and [have] an honest conversation amongst UPSers who have issues and concerns to address," said Mr. Barnes. The platform "builds off what we have today in terms of improving site

May 8, 2013

Some of the biggest banks in the City face being frozen out of the privatisation of Royal Mail amid demands from institutional investors to minimise the number of firms working on the deal.

**PRNewswire**: Cenveo, Inc. today announced results for the three months ended March 30, 2013. The Company generated net sales of \$432.3 million for the three months ended March 30, 2013, compared to \$455.6 million for the same period last year. The decrease in net sales was primarily due to lower sales in our print and envelope segment as a result of decreased volumes from our primary print customers due to timing of current year production schedules versus the prior year, a journal plant closure that occurred in the first quarter of the prior year and lower office product envelope sales due to the transition of low margin accounts out of our operating platform. These decreases were partially offset by higher sales from our direct envelope customers due to our initiatives to increase market share. Net sales from our label and packaging segment were relatively flat for the first quarter of 2013 due to our decision to exit low margin business within our packaging platform along with a disruption due to a temporary loss of a press as a result of a fire in one of our packaging facilities, which has been offset largely by our ecommerce initiatives and new account wins in our label business.

**DMM Advisory:** Deferred Implementation Date for CASS<sup>TM</sup>/MASS<sup>TM</sup> Cycle O The implementation date for CASSTM/MASSTM Cycle O is being deferred to August 1, 2015. CASS and MASS certifications obtained during Cycle N will be valid through July 31, 2015. New certificates will not be sent; however, the Products Guide https://ribbs.usps.gov/files/vendors/ will reflect the new certification expiration date.

The Guardian: Desperate to reassure the public that selling this successful public-sector enterprise will be in our interest, the government, in the shape of Michael Fallon, the industry minister, has used all the powers he has at his disposal to "protect" what is called the universal service provided by Royal Mail. But those protections are not enough and will certainly not endure. Despite the promises, it will not be possible to guarantee a privately owned business will want to (or be able to) maintain six-days-a-week collection and delivery services throughout the country. With the cost of most stamps now deregulated, the only restraint on rocketing prices is the vague argument of "market forces". One just needs to look at their energy bill to see how the impact of those market forces is working in that regard.

**<u>PRNewswire</u>**: Valassis, a leader in intelligent media delivery, announced today that our Board of Directors approved an increase to our stock repurchase program authorization by 6.0 million shares of our common stock. As of March 31, 2013, we had approximately 1.6 million shares available for repurchase under the prior authorization.

Federal Times: Members of the U.S. Postal Service's board of governors risked losing their jobs if the agency persevered with ending Saturday mail delivery following passage of a final fiscal 2013 spending bill. That was the warning delivered by an outside law firm April 5-four days before the board pulled the plug on the plan. Proceeding with five-day mail delivery "would entail a number of risks," Jeffrey Bucholtz, a partner with King & Spalding,

wrote in a 17-page opinion prepared for the Postal Service's legal department.

Initiatives To Improve Employee Availability – 13RG016DP000. In 2011, the Postal Service implemented the Delivering Results, Innovation, Value, and Efficiency (DRIVE) management process to improve business strategies. Accordingly, the Postal Service established 24 initiatives to improve Postal Service operations. One DRIVE initiative is to improve employee availability. This would reduce labor costs by returning employees to work from injuries and illnesses occurring in the workplace and improving attendance by reducing employee accidents and unscheduled sick leave. Additionally, the Postal Service is seeking a more cost effective worker's compensation program. The objective of this audit is to determine the effectiveness of the Postal Service's initiative to improve employee availability. What can the Postal Service do to ensure the success of this DRIVE initiative? Do you know

of steps other companies or industries have taken to achieve similar goals?

Dead Tree Edition: According to D. Eadward Tree, "The U.S. Postal Service is apparently backing away from an attempt to use one-time payments to mailers as justification for permanent price increases."

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

The new service for digital communication between high-volume mailers and their customers, which was announced by Pitney Bowes more than two years ago, is apparently turning into a damp squib.

Good news for bpost: Last week, the EU-Commission approved annual subsidies for the provision of the universal service in the hundreds of millions for the period from 2013 to 2015. The state aid is primarily granted for the distribution of newspapers and magazines and the provision of financial services.

e-boks, the Danish post's e-service portal, remained on its growth track last year.

PostNord announced the takeover of two document management companies last week. New Zealand Post now increased the pressure on the government in the negotiations about reducing the delivery frequency.

One of ten invoices in the B2C segment was sent electronically in Europe in 2012. E-invoices have the highest market penetration in the Nordics.

UPS wants to expand its presence in small cities and rural areas in the USA with a modified franchise model. The integrator's goal is to increase the number of UPS Stores outside of agglomerations considerably. A changed franchise model should help to reach this goal. According to the announcement, interested parties would have to pay up to 80,000 U.S. dollars less compared to franchisees in cities. One third of the U.S. population lives in rural areas according to the last census.

The Canadian government plans to restrict collective bargaining rights at state owned companies.

The Irish post lost its licence as the operator of the National Lottery after 26 years.



expertise in logistics

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

**Reuters:** A group of senior Republican and Democratic senators proposed a new law on Tuesday to combat computer espionage and the theft of valuable commercial data from U.S. companies. The four powerful senators - Democrats Carl Levin and Jay Rockefeller and Republicans John McCain and Tom Coburn - joined together to launch the Deter Cyber Theft Act. The proposed law aims to combat the theft of intellectual property from U.S. companies, which spend billions in research and development only to be targeted by foreign firms and countries that illegally access their data and use it to compete against them. General Keith Alexander, head of the U.S. National Security Agency and commander of the U.S. Cyber Command, has called the growing problem the "greatest transfer of wealth in history." A divided U.S. Congress has not approved much legislation in recent years, given a string of partisan fiscal battles. But with lawmakers on both sides of the political aisle acknowledging that cyber security is a rising concern, this bipartisan measure - sponsored by leading senators - will likely draw plenty of interest.

News Times: The recently installed CEO of Pitney Bowes, the iconic Stamford-based mail technology and communications firm, has been on the job for five months, and he has big plans for the business. To show his belief in its future, he is investing \$1 million of his personal fortune in the company. "It demonstrates my incredible belief in the company, and I'm putting my money where my mouth is," Marc Lautenbach, who took over the top job at Pitney Bowes after a 28-year career at IBM, said in an interview last week. In the short time that Lautenbach has been on board, he has identified areas that need improvement and made personnel changes, said Shannon Cross, an analyst with Cross Research. "He has definitely shaken up Services Management, replacing one-third of senior management. He's continuing to reduce costs and streamline business on the mail meter side," she said, commenting that there is an increased focus on acquisitions the company has made in software services, including MapInfo. "It's going to be all about execution to outrun any declining returns on the meter side." The decision to hire Lautenbach

reflects Pitney Bowes' increased emphasis on promoting technology beyond mail services, said Christopher Bruhl, president of the Business Council of Fairfield County. "That's definitely where they are headed," Bruhl said.

**CommerceBytes**: eBay Canada warned sellers that the Canada Post Tracked Packet service was temporarily unavailable on PayPal. Canadian sellers have been dealing with problems since PayPal Canada launched the services on its label printing flow on April 9, 2013, reporting that they were overcharged for postage when using PayPal to print their shipping labels. eBay confirmed the billing errors last month. The Canadian postal service introduced new services this spring. Canada Post retired the Small Packet - USA Ground service and introduced two trackable services for U.S. and International shipments: Tracked Packet - USA and Tracked Packet - International.

Brand Republic: Parcelforce Worldwide has appointed Proximity London to handle its CRM account, following a competitive process.

**Columbia Missourian:** The enactment of the 2006 Postal Accountability and Enhancement Act, designed to reform the postal laws of the United States, created a shift in the financial health of the U.S. Postal Service. The total number of domestic mail pieces delivered by U.S. Postal Service significantly decreased beginning in 2006. The enactment of the act, increased use of email and greater competition from private delivery services all led to a drop in the total number of domestic mail pieces delivered by the U.S. Postal Service. *[EdNote: Man, that's the first time I've ever seen anyone try to tie the drop in mail volume to the enactment of PAEA. Correlation is NOT causation. Basic Stat 101]* 

**PRWeb**: Globally, postal services play a key role in providing access to basic communication and transaction services. The worldwide postal infrastructure has been shrinking for over two decades, in terms of both outlets and numbers of full-time staff. At the end of 2011, the total number of post offices stood at 662,701, of which 439,376 were staffed by officials of the designated operator and 223,325 were managed by people from outside the designated operator. The traditional letter post service is under pressure from new technology, including the internet and (increasingly mobile) telephone services. Rising numbers of consumers and businesses are sending and receiving bills and invoices via the internet and making payments online or by telephone, instead of using post office services. The substitution of paper-based bills and statements, and bill payments by check, has been a key phenomenon for over 10 years. With the decline in mail volume, post offices are looking at opportunities to support themselves and compete with other operators, both in the postal and financial sectors. Operators are becoming increasingly involved in providing or expanding their range of financial services, either to increase revenue or due to pressure from governments to increase access to basic financial services. With millions of people regularly visiting and using post offices, postal operators are looking to make additional use of their extensive retail presence and trusted brands. In 2011, financial services accounted for 11.7% of postal operators' total income.

**WOKV**: Crooks could be using your mailbox to get into your bank account. Private investigator David Hodges says thieves are temporarily forwarding mail from victims' homes to their own homes and canceling the request after getting their hands on bank statements. Hodges recently uncovered a huge identity theft ring with hundreds of victims and federal charges on suspects as far away as Boston and Atlanta. *[EdNote: It's time to go to more secure clusterboxes instead of curbside mail boxes.]* 

National Association of Postmasters of the U.S.: Prior to leaving the U.S. Capitol for a one-week recess, Rep. David Camp (R-MI), chair of the House Ways and Means Committee, introduced a bill that would devastate the Federal Employees Health Benefits Program (FEHBP). H.R. 1780 would force the entire federal workforce out of the FEHBP and into coverage offered by the Affordable Care Act (aka ObamaCare). It is unclear if this congressional attempt to dismantle the FEHBP will have any impact on the USPS' legislative advocacy for its own health plan, or on the White House's FY 2014 budget proposal to modify certain FEHBP options.

The Palm Beach Post: It's a post office, not a 'pot' office, woman learns after getting busted for allegedly trafficking in drugs in Riviera Beach.

**Standart News**: The Bulgarian Postal Service is launching a small loans business. As of today, the Bulgarians may apply for loans of 100 to 3,000 levs at the desks of 238 post offices in 130 tons, cities and villages across the

country. The monthly installments on the loan are paid at the same desk. This new service is called Postal Easy Credit. The application procedure takes about 60 minutes and can be carried out on the phone as well. After they are approved, the applicants can withdraw the money from the nearest office of Bulgarian Post against an ID. The loans will be serviced by Easy Credit.

DMM Advisory: May 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 May 6 we updated our mailing standards to include the following changes:

- **Clarification of Picture Permit Imprint Promotion Eligibility.** We revised <u>709.3.3.4</u> to clarify the eligibility of residual pieces for the promotional discount for Picture Permit imprint mailings. We published this information in the May 2, 2013, Postal Bulletin.
- **Folded Self-Mailer Clarifications.** Based on mailer feedback, we revised <u>201.3.0</u> to clarify standards for folded self-mailers. We will publish this information in the May 16, 2013, Postal Bulletin.

Folded Self-Mailers: Review Your Understanding Due to a Power Outage on May 7, 2013, we rescheduled this Webinar. You can get answers and/or clarifications as you join the Association for Postal Commerce for a FREE webinar on Thursday, May 30, 2013 at 10:00am 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. Register now by going to: https://www1.gotomeeting.com/register/837505441

At the Postal Regulatory Commission: <u>Docket No. R2013-6</u> "Notice Of Price Adjustment (Technology Credit Promotion)" RESPONSES OF THE UNITED STATES POSTAL SERVICE TO CHAIRMAN'S INFORMATION REQUEST NO. 1 (May 7, 2013)

**INDUSTRYALERT** USPS New Proposed Priority Mail Enhanced Insurance Coverage The Postal Service will soon file a request with the Postal Regulatory Commission (PRC) to provide enhanced insurance coverage with Priority Mail. The goal of this change is to improve the competitiveness of our Priority Mail product. If the enhanced insurance proposal is approved, insurance coverage will be provided free of charge at a level of either \$100 or \$50 (depending on the method of payment used). Additional insurance coverage may still be purchased above these amounts. This change will not impact our other package offerings, including Express Mail or our International services. Since the Postal Service will be decreasing the price of insurance for most Priority Mail items, this change will have minor price cap implications for the Special Services class of mail which will be set forth in our filing

#### May 7, 2013

**<u>Asbury Park Press</u>**: DataUniverse Local, State and Federal information at your fingertips - US Postal Service Employees, 2013 [*EdNote: Let's you know who makes what.*]

**Caixin Online**: The Ministry of Finance and the State Post Bureau last year issued a draft guideline for starting a general postal service fund, an idea that had been discussed for three years. The proposal would see delivery companies pay a levy to fund unprofitable postal services in remote regions and could generate as much as 1 billion yuan in 2013. The draft is being reviewed by the State Council. However, the proposal departs from the reform direction set out by the new government. In the government reform plan issued by the State Council in March, the cabinet vowed to "reduce transfer payments and charges." The plan required government agencies to "improve the non-tax government revenue system by abolishing improper administrative fees and government fund projects, as well as reducing charges." China's massive government fund system is in urgent need of reform. Such funds now are the second largest contributor to government revenue, trailing only taxation. In 2011, there were nearly 500 such funds, but less than 50 of them were included in government budgets. The rest have a vague status. Their collection, management and spending lack transparency and supervision, thus creating room for corruption.

In an article provided to the PostCom Bulletin, Holdenart CEO William Holden wrote: When conversation comes up about the USPS, it often seems negative. Likely, it's the nature of the business and the fact that we're living in a technologically advancing time like no other in history. We take it somewhat for granted that we can text and get email on smartphones. Customers expect mail and package delivery and are never surprised when it happens, but they tend not to forget when it doesn't. It can be a thankless service, but it's a little more complex than that. Talk to anyone who's moved and they rarely say that Mail Forwarding worked great. Even the occasional error hurts US Postal's reputation. The Mail customer could have a better experience in the age of technology and convenience."

Brand Republic: Royal Mail is offering clients the ability to enable direct mail recipients to link to a website through a smartphone using a digital watermarking system instead of quick response codes. The system allows rich media to complement direct mail without using embedded chips or quick response codes, but instead using triggers contained within mail art and design. It was developed by the Royal Mail's Door to Door Unit and digital agency Digital Space.

Brand Republic: In an age of information overload, digital marketers could learn a lot from the personalisation and value pursued by direct mailers, writes Kim Benjamin. Hardly a month goes by without some development in digital being hailed as the next big thing in marketing innovation. In an era of information overload, however, digital channels - and in particular mass email marketing - are in danger of alienating, rather than attracting, consumers. Mail volumes, however, have been falling year on year, and developments in the medium, from behavioural targeting to improved personalisation, suggest that **direct mail is now at the forefront of customer relationship management** (CRM).

GMA News: As snail mail continues to decline, Philippine Postal Corporation (PhilPost) has diversified its services from mail delivery to logistics through a partnership with DHL Express Philippines. 'We are transforming the postal work to logistics services from mail delivery," PhilPost chairman Cesar Sarino said during the DHL-PhilPost Partnership press conference held in Makati City. "The traditional mail is declining," said PhilPost CEO and postmaster general Josefina dela Cruz. According to PhilPost data, it delivered 156,165,480 pieces of mail in 2011, down 34 percent from 206,107,210 in 2010, while data is not yet available for 2012. "We are now a logistics company. You send, we deliver. We deliver your mail, we deliver your goods, we deliver your money," dela Cruz said.

U.S. Postal Service Office of Inspector General Audit Reports Update

- Click-N-Ship For Business (Report Number DP-AR-13-005)
- Domestic Negotiated Service Agreements (Report Number MS-AR-13-007)

<u>YLE</u>: Postal services across Finland will be affected by a walkout at a sorting office in Helsinki. Workers are angry over plans to outsource sorting operations to the Dutch postal firm Post NL Shore.

MyFinances.co.uk: The government has been criticised by the Labour Party for its proposed sale and privatisation of Royal Mail. Shadow business secretary, Chuka Umunna claimed that the coalition is using the proposed £3 billion sale to help improve the UK's public finances and that the standard of services could be negatively affected. Mr Umunna said that the Post Office's universal service is at risk: "The Tory-led government is putting party politics ahead of the interests of taxpayers by rushing to sell off Royal Mail on the cheap. "There are many questions, very few answers and so far little justification has been given for doing this fire sale now. The Government has failed to demonstrate why a sale this year will deliver best value for the tax payer." added Mr Umunna. The sale is expected to go ahead despite opposition from postal workers and the unions.

Dutch News: PostNL booked a €410m loss in the first quarter due to a large write-off on its interest in courier company TNT Express. The postal company wrote off a total €440m on its 30% interest in TNT Express following the collapse earlier this year of a takeover deal with American peer UPS following objections from Brussels. The collapse led TNT's share price to plunge 50% on the Amsterdam stock exchange. PostNL's shares were down 34%. The Dutch postal market continued to shrink in the first quarter and was down 9.5%, the company said in a statement.

**BBC**: Staff at some of the UK's largest post offices are taking industrial action in a growing dispute over closures, franchising, jobs and pay. The day-long strike on Tuesday will cover about 370 Crown Post Offices - 70 of which are due to be franchised or partnered with a retailer. Crown Post Offices are the bigger branches found on high streets. The Post Office said the action was extremely disappointing and that the strike would affect 3% of branches. The network is losing £40m a year, so officials plan to close a handful of Crown Post Offices and have begun the process of looking for retailers to run 70 more.

The Star Press: Hundreds of Delaware County residents — or as many as a couple of thousand — didn't receive spring property tax bills through some still-unexplained snafu. Much of the problem seems centered on Hamilton Township north of Muncie, where 2,617 tax bills were mailed to property owners but few were delivered.

The Chief: About 50 postal workers and their supporters May 1 marched from Washington Square Park to the Peter Stuyvesant Post Office in the East Village to protest the planned closing of the station, one of five the USPS plans to shutter in Manhattan and the Bronx.

The Journal: Rural mail services are set to be safeguarded with a new Ofcom proposal on public access to post boxes. The postal regulator is seeking a new requirement that 98% of all households across the UK should be within half a mile of a post box. Current stipulations cover less than half of the nation's 121 postcode areas and only 15% of its geographic area. And Royal Mail last night welcomed the Ofcom proposals, which it says will protect postal services in rural communities.

**Example 2** Long Beach Business Journal: Businesses in Greater Long Beach, specifically those near the Los Angeles and Orange county line, could see delays in destinating mail processing as United States Postal Service (USPS) operations are scheduled for relocation from the Long Beach facility to Los Angeles starting July 1.

#### May 6, 2013

## St the Postal Regulatory Commission:

- Docket No. C2009-1R COMPLAINT OF GAMEFLY, INC. "Consistent with the Commission's "expect[ation] that [the Postal Service and GameFly] will make the most of this opportunity to fashion a remedy [to the PRC Docket No. C2009-1 Complaint] acceptable to both without the unnecessary use of time or resources,"1 today the Postal Service files a letter it submitted to GameFly. This letter, dated May 3, 2013, "describes the Postal Service's position regarding the processing of GameFly's DVD mail, if it were to be submitted as letters eligible for the First-Class Mail one-ounce letter rate." More specifically, it states that "[t]o the extent possible and practicable, the Postal Service is prepared to process GameFly letters using methods that avoid letter machine processing to substantially the same degree experienced by DVD mail submitted by other mailers who present mail with similar packaging that qualifies for the letter rate." This letter is not a settlement offer and was submitted outside the scope of the settlement process."
- <u>Docket No. C2009-1R</u> COMPLAINT OF GAMEFLY, INC. "Report Of Settlement Coordinator"

Daily Astorian: Before a packed room Friday, U.S. Rep. Suzanne Bonamici, D-Ore., told the state convention of the Oregon State Association of Letter Carriers that Congress needed to do more to reform problems with the U.S. Postal Service. "Congress has really delayed some significant changes that need to be made on the postal issues," she said. "Some at the post office have tried to eliminate the six-day delivery, talking about voiding layoff protections in the labor contracts, working on outsourcing delivery service. "Enough is enough. Congress, the letter carriers, we all need to be working together to help rebuild this vital link between people and communities."

Wall Street Journal: A bill that effectively would end tax-free online shopping appears to be sailing smoothly toward Senate passage Monday but will hit choppier waters in the Republican-controlled House, where antitax sentiment is stronger. Opponents portray the bill as a tax increase and say it would burden small online businesses with complex tax-collection responsibilities. Supporters say the bill would enable states to collect sales taxes that already are owed, not create a new tax or raise tax rates.

Courier, Express, and Postal Observer: Cloud Computing Journal reported today that "After more than two years of promising the imminent arrival of Volly, Pitney Bowes ... has failed to materialize the cloud that was supposed to replace postal mail, especially posted bills." According to the story, Pitney Bowes has pushed back the launch in North America until no earlier than late in 2013 after first announcing Volly's launch in September of 2011. Currently Pitney Bowes appears to be focusing on getting Volly up and running as a product of Australia Post. Australia Post was supposed to implement Volly in October 2012 but the system is still not operational when the Cloud Computing Journal was written.

**TMC** News: GrayHair Software, Inc., a provider of services for business mailers, announced that it is adding a Global Address Quality service to its new Global Solutions package. According to a release, the Global AQ application is part of GrayHair's mailing service platform, SelectSolutions, which provides on-demand access to mission critical needs for business mailers. The application uses full postal code databases taken directly from the postal authority in each country allowing mailers the benefits of improved deliverability and lower costs. For those companies looking to reduce their global footprints, these enhanced address hygiene techniques reduce the waste associated with returned mail.

Cornwall Free News: The announcement this week by Tony Clement, Canada's capable Treasury Board President, that representatives of his department would attend collective bargaining sessions at Crown corporations, is entirely welcome. The entities he singled out for careful examination in search of budgetary economies were Canada Post, Via Rail and the CBC. These all present different administrative challenges, but the idea is a first positive step in the long-overdue overhaul of this entire process. The largest problem here, and doubtless the last one that will be tackled, is that there simply should not be any collective bargaining at all in the public sector. Former Quebec premier Maurice Duplessis was correct when he said 65 years ago: "The right to strike against the public interest does not exist." For many years, the often explicit understanding was that public employees would be less well-paid than those in the private sector, but would have greater job security and, in general, less challenging employment. The unionization of the public service consigned that rule of thumb to the proverbial dust-bin of history, and public-service unions began leading organized labour in militancy, while feasting on the weakness and cowardice of political employers.

**AMEInfo:** Emirates Post Group and Somalia have signed a Memorandum of Understanding (MoU) under which Dubai will act as the hub for mail forwarding, as the strife-torn African nation prepares to resume postal services after a gap of 23 years.

National Newspaper Association: Accelerated plant closures will create more disparity The U.S. Postal Service last month announced that it would move up 55 plant consolidations scheduled for 2014 into 2013, creating many more changes in service standards that have bedeviled newspapers. That will bring the total number of plant consolidations to 166 by year-end, a recipe for disaster with so much change in one year. Closings further complicate life for newspaper publishers, who find that each plant closure subjects a larger share of subscribers within their region or state to additional delays under so-called "Modern Service Standards" placed into effect July 2012. The consolidations, resulting in partial or full closure of some processing plants serving even larger SCFs (Sectional Center Facilities) than ever before, are drastic actions in response to worsening finances of USPS.

The Guardian: Labour has accused the government of desperately pushing ahead with the £3bn "fire sale" of Royal Mail in order to "raise funds to cover the gaping hole in George Osborne's failed economic plan". Chuka Umunna, the shadow business secretary, said there was a "distinct whiff of desperation" surrounding the privatisation of the world's oldest postal service. He accused the government of rushing into a saleout of a desire to quickly reduce a £245bn overshoot in government borrowing. He warned that a rushed sell-off could lead to "sub-standard services and people being ripped-off".

The Globe and Mail: Canadian retailers who have delayed launching a robust e-commerce website are running out of time and face "their last wake-up call," suggests a new report on the state of online shopping in Canada. The report by the U.S.-based Forrester Research, funded in part by Canada Post and Shop.ca, is based on surveys with 1,103 Canadian online shoppers and concludes that U.S. e-tailers are becoming better positioned to steal web revenues from homegrown companies.

**Express**: Thousands of boxes in remote and countryside areas currently have no protection from removal. It means people living outside towns and cities are at risk of being left with no access to postal services. Some parts of the UK are covered by regulations requiring a post box to be within half a mile of 98 per cent of homes and delivery points. Royal Mail must provide "other means" of access to postal services for the remaining two per cent. But these rules do not apply to 61 of 121 postcode areas of the country. Under new regulations set out by regulator Ofcom, protected status would be extended to these areas.

Singapore Business Review: As domestic mail volume plummets again. Singapore Post Limited (SingPost) has announced its unaudited results for the fourth quarter and full year ended 31 March 2013, revealing rising costs amidst 6th consecutive quarter of decline in domestic mail volume. SingPost though said it has seen some promising revenue growth from the consolidation of new subsidiaries and Group-wide e-commerce related activities.

#### May 5, 2013

New York Post: Postmen are too scared to deliver letters and packages to one of Brooklyn's most crime-ravaged neighborhoods, a US Postal Service worker told The Post yesterday. "The neighborhood is bad," the worker said outside the Brownsville Station Post Office on Bristol Street. "I wouldn't want to go into those buildings." Snail mail that goes undelivered finds its way back to the post office, where it can stew for several days until a carrier decides to deliver it - or residents are forced to come pick it up. "Have you seen this neighborhood? It's on the news every day," the terrified employee said. About 50 angry residents — organized by the neighborhood chapter of New York Communities for Change — gathered in front of the post office yesterday to protest the epidemic of late mail and parcels that never arrive. Letter-starved residents acknowledged their nabe — rife with gang violence — is frightening but said that's no excuse for them to miss out on their mail.

#### May 4, 2013

New York <u>Times</u>: Improved scanning technology now allows machines to "read" virtually all of the 160 billion pieces of mail that moved through the system last year. When mail-sorting machines around the country encounter addresses they cannot read, an electronic image of the bad handwriting or faded address is transmitted to operators here who view them and try to fill in the missing information by typing in a letter or a number. Once corrected, the information is returned to the processing plant where the mail is sent on to a local post office, ultimately ending up where it is supposed to go. Over the years, the Postal Service has become the world leader in optical character recognition — software capable of reading computer-generated lettering and handwriting — sinking millions of dollars into equipment that can read nearly 98 percent of all hand-addressed mail and 99.5 percent of machineaddressed pieces.

## **From the Federal Register:**

Postal Regulatory Commission	
NOTICES	
New Competitive Products,	
26404–26405 [2013–10583]	[TEXT] [PDF]
New Postal Products,	
26405–26406 [2013–10585]	[TEXT] [PDF]
Postal Service	
NOTICES	
Product Changes:	
Parcel Return Service Negotiated Service Agreement,	
26406 [2013–10587]	[TEXT] [PDF]
Priority Mail Negotiated Service Agreement,	

26406 [2013–10603]	[TEXT] [PDF]
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**NBCW**ashington: Montgomery County police are investigating the rape of a postal worker in Silver Spring, Md., Thursday afternoon.

**Huffington** Post: *Ralph Nader* -- The United States Postal Service is in a freefall due to poor management, a starkly shortsighted, paralyzed Congressional leadership, and the steady march of right wing ideologues. Corporate competitors who advance corporatization have severely eroded the historic institution created by Benjamin Franklin; one that currently delivers over 150 billion pieces of mail a year and walks and drives all neighborhoods.

Bloomberg Businessweek: U.S. Postmaster General Donahoe: Judy Woodruff 🖽

**Inland Press**: With the postal regulatory battle lost, newspapers are looking to Congress and the courts to stop the discount deal the United States Postal Service (USPS) struck with the big direct mailer Valassis. The National Newspaper Association (NNA) is organizing a summit in March with postal experts and policy makers—including Postmaster General Patrick R. Donohoe—plus an afternoon of lobbying on Capital Hill to try to roll back the so-called Negotiated Service Agreement with Valassis, or at least prevent future NSAs that put newspapers at a competitive disadvantage.

#### OIG Audit: Government Travel Card – 13RG017DP000

"The Government Travel Card System is a program offered by the Postal Service in which an individual government travel card, with automatic teller machine (ATM) privileges, is issued to designated employees for use while on official travel. In accordance with Postal Service Handbook F-15, Travel and Relocation, this travel card must not be used for personal business. The Postal Service assigns each postal District a travel card coordinator who is responsible for answering traveler questions, enrolling travelers in the travel card system, and monitoring traveler transactions. We are initiating an audit survey to review the Government Travel Card System. Our objective is to determine whether Postal Service employees are using their travel card in accordance with Postal Service policy. This survey is designed to identify travel card transactions which indicate employee misuse; specifically, purchases or ATM / cash withdrawals while not on official travel. We believe this is an opportune time for us to help the Postal Service enhance controls over travel card usage. However, your input is the key to our success. Are there any features, options, or controls that would be effective in preventing employee travel card misuse? Do travel card coordinators have the time and resources necessary to monitor employee travel card transactions?"

### At the Postal Regulatory Commission:

- MT2011-2 Data Collection Report for Gift Cards FY13, Q1-2 http://www.prc.gov/docs/86/86901/Data Coll Rpt FY13 Q1-2 final.pdf
- R2013-6 Motion of ABM, The Association of Business and Media Companies, Supporting the United States Postal Service Response to Order Extending Deadline for Comments
   <u>http://www.prc.gov/docs/86/86904/Docket%20No.%20R2013-6.docx</u>
   <u>http://www.prc.gov/docs/86/86904/Docket No. R2013-6.</u>
- **R2013-6** Joint Motion of the NAPM, AMEE, NNA, MMA, NPPC and Idealliance Supporting Response to Order Extending Deadline for Comments <u>http://www.prc.gov/docs/86/86905/R2013-6 Motion.pdf</u>

May 3, 2013

DMM Advisory: IMb™ Services Update

- **Reminder: 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. Additional details will be posted on RIBBS under Major/Minor Releases/2013 Releases/April 2013.
- **Reminder: 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.

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

- Folded Self-Mailers: Review Your Understanding Reserve your Webinar seat now at: <u>https://www1.gotomeeting.com/register/147180689</u>
- 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 Postal Regulatory Commission has seen lots of activity this past week that is worth nothing.
- According to postal commenter, Gene Del Polito, "despite the fact that the Postal Service has made great strides in reducing its workforce complement and reorganizing its network and services to produce services that adequately and more cost-efficiently meet the nation's continuing postal needs, much of what needs doing can only be undertaken if Congress does its part in re-fitting the nation's postal laws."
- PostCom continues its coverage from last week's Postal Vision 2020 3.0 conference held in Washington, DC. The third annual Postal Vision 2020 conference, it focused on the challenges faced for a 21 century Postal Service in a rapidly st evolving technology environment. PostCom completes its conference coverage this week, focusing on postal-digital initiatives already underway in the U.S. and abroad, as well as e-government developments, entrepreneurial forays, and more.
- In addition to providing an incubator for policy discussions on postal-digital topics, last week's PostalVision 2020 conference featured an interesting collection of entrepreneurs who shared some of their ideas and innovations. Here are highlights from some of the entrepreneurial participants.
- This year's PostalVision 2020 conference also included presentations on a variety of e-government initiatives, an area the USPS already will play a role in through its FCCX pilot.
- Another new feature of last week's PostalVision 2020 conference was a panel comprised of 18-24 year olds representing the next generation, who discussed their communication needs and what they think the Postal Service needs to do to meet those needs.
- USPS Board to meet in open session. USPS awards air cargo network contract to FedEx. Fed Reserve Banks announces new study to examine nation's payment usage. UPS averts teamsters strike risk with new 5-yr contract. DeLauro angered over USPS' early closing of processing center. Pitney Bowes boss seeks more changes, after grim first quarter. Microsoft promo turns Forbes Mag into a free Wi-Fi hotspot. Quad/Graphics invests in Pixability to tackle online video market. USPS: The next Amtrak? Union challenges POStPlan, demands jobs.
- 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</u> by email your name, company, company title, postal and email address. Get a chance to see what you've been missing.



**CNET**: Text messaging in the U.S. is on the decline, according to a survey (PDF) released Thursday by CTIA-The Wireless Association. The numbers of SMS text messages sent and received nationally dropped from 2.3 trillion in 2011 to 2.19 trillion in 2012. While 2.19 trillion may seem like a colossal number and not much less than 2.3 trillion, it is still nearly a 5 percent drop. According to a report released last week by research firm Informa, one of the reasons that texting may be declining is because several chat applications -- such as Apple's iMessage, WhatsApp, Viber, and BlackBerry Messenger -- are becoming users preferred method of communication.

The Baltic Course: Estonian state-owned postal concern Eesti Post posted a turnover of 12.6 million euros in the first quarter of the year 2013, a growth by 9% in a year.

**EXAMPLA** Fox Business News: U.S. employment growth likely picked up in April, but probably not by enough to counter other signs that suggest the economy has lost a step in recent weeks. Nonfarm payrolls are expected to have increased by 145,000 jobs, according to a Reuters survey of economists, after braking to a nine-month low of 88,000 in March. Taken together, the job creation pace over the past two months would still be far below the average of 200,000 for the first two months of this year. "That would be consistent with an economy that's losing growth momentum but hasn't fallen out of bed," said Millan Mulraine, a senior economist at TD Securities in New York.

**WISN**: Menomonee Falls residents are being told not to send out mail from their individual mailboxes, but to use secure U.S. Postal Service boxes instead. RELATED Women charged in formula theft Newborn baby's body found in cooler Madison police arrest Illinois fugitive... Shootout in West Milwaukee caught on... Waukesha man accused of sparking... The Police Department said three people have reported suspected fraud after their mail was taken between April 5 and April 16. Thieves have taken mail containing checks from curbside mailboxes and then use the victim's personal account information. Police said they have leads but have no one in custody.

Wellington Scoop: New Zealand Post is a vital public service and there is no justification for reducing mail delivery to three days a week, says the union for postal workers, the EPMU. The call follows claims from NZ Post that it would need Government subsidies unless it is allowed to slash mail delivery services in half. EPMU national industry organiser Joe Gallagher says there is no need for drastic cuts to delivery. "Any talk about subsidies at this stage is pure speculation and scaremongering. NZ Post is actually returning a profit and will continue to do so for some time even without any changes.

**Inside Indiana Business:** The small rural town of Greensboro in Henry County is a good place to live in these tough, economic times. Compared to the rest of the country, Greensboro's cost of living at 9.4 percent is lower than the U.S. average. And the town is growing — slightly. With a population of 143 people, Greensboro has grown 6 percent since 2000. All of these factors work well for expanding USPS services in the town. On Friday, May 3, 2013, the 41st Village Post Office in the Greater Indiana District will open at the Longhorn General Store, 210 N. High St., Greensboro, IN 47344. VPOs are operated by local businesses contracting with the Postal Service and offer a range of popular postal products and services including stamps and flat-rate packaging. Several VPOs are scheduled to open in the Greater Indiana District in the near future.

Bloomberg Washington Summit: *Re the US Postal Service --* Cardin commented "I don't think outsourcing saves money for government." I would agree, but it means returning to a government with more bodies, paid less, and limiting the influence of lobbyists. It also means reducing complexity in laws and regulations. He also commented "I believe that the role of the Post Office is universal service and overnight delivery is part of that." One twitter commenter wrote: USPS Corbett is asked if we even need the postal service. Quick answer: Yes. Audience quietly whispers: "Dinosaur." USPS CFO thought there was a long-term solution. He wants regulatory changes, allowing delivery of alcohol, and other things prohibited now. He wants more independence from current regulations.

May 2, 2013

At the Postal Regulatory Commission: <u>Docket No. R2013–6</u>: Notice Of Price Adjustment (Technology Credit Promotion) -- "The Postal Service respectfully recommends that the Commission extend the comment deadline to May 17th."

**Air Cargo World**: Economic growth is expected to continue in the U.S. throughout the remainder of 2013, say the nation's purchasing and supply executives in their spring 2013 Semiannual Economic Forecast. The forecast offers hope for improvement in the airfreight sector. Expectations for the remainder of 2013 continue to be positive in both the manufacturing and non-manufacturing sectors. These projections are part of the forecast issued this week by the Business Survey Committee of the Institute for Supply Management (ISM).

**SBWire**: 2020 Foresight Report: Post Office Financial Services New Market Study Published at MarketResearchReports.Biz

**Radio** Praha: With the volume of traditional mail severely undermined by electronic communication the Czech Republic's postal service, Česka Pošta, has seen its profits drop in recent years. Now, newly approved legislation liberalizing the country's postal services has made matters worse, putting ever greater pressure on Czech Post to expand into new areas of business or bow out.

Attention Postal One! Users: 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.

Did you miss it? I mean, the **PostCom webinar on ''Accessing & Understanding Mail Quality Reporting''**? If you did, you still can view the <u>webinar recording</u> and check out the <u>slides</u>.

Sowetan Live: The Post Office and labour have disagreed over converting 8000 casuals to permanent employees.

Washington Post: The Postal Service next year will offer healthcare coverage to its temporary employees to comply with the Affordable Care Act, also known as ObamaCare. The agency announced on Monday that it would pay United Healthcare an estimated \$239 million annually to provide coverage for about 35,000 "non-career employees." In a new release, the Postal Service said the contract value "may vary significantly depending on actual non-career employee plan participation."

# From the Federal Register: Postal Service PROPOSED RULES Balloting Materials Postage, 25677–25678 [2013–10347] [TEXT] [PDF]

Bloomberg Businessweek: The U.S. Postal Service is projecting a loss of as much as a \$6 billion for the year as it keeps pressure on Congress for help, Postmaster General Patrick Donahoe said. The government agency that's supposed to support itself through postage sales lost about \$3 billion in the first half of its fiscal year, from Oct. 1 through March 31, Donahoe said in an interview airing this weekend on Bloomberg Television's "Conversations"

With Judy Woodruff." That decline is projected to double by the year's end, which is Sept. 30, he said.

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American Postal Workers Union: The APWU challenged management's "POStPlan" at an arbitration hearing that began on May 1. The union charged that the plan, which resulted in a drastic reduction in the hours of operation at thousands of post offices, also deprives the APWU members of thousands of jobs, in violation of the 2010-2015 Collective Bargaining Agreement.

**CBC** News: The federal government has introduced legislation that gives it sweeping powers to intervene in the collective bargaining process of Crown corporations, and even in the scale of executive salaries. The provisions, which are part of the omnibus budget implementation bill tabled Monday, say that government ministers on the Treasury Board Secretariat will be able to impose "any requirement" on Crown corporations at the bargaining table. The new legislation also says employers at agencies such as the CBC, Canada Post, Via Rail and over 40 other Crown corporations must seek approval from Treasury Board before fixing working conditions for both unionized and non-unionized employees.

**HQComox Valley**: Adapt or die. That's the message for Canada Post, as they face massive financial losses if they stick with the current business model. "Unless we make changes, fundamental changes, the company stands to lose about a billion dollars a year, beginning in 2020" says Anick Lozier, spokesperson for Canada Post. "The mail is changing, because people are using it differently, because of the digital alternatives." Canada Post has been making minor changes to the way it delivers mail, as the number of letters they move continues to decline, and the cost of delivering those letters continues to increase. A recent Conference Board of Canada report outlined 6 options for Canada Post to move on, in order to secure its future. Now those options are available to the public to give feedback on.

**Government Executive:** Back in 2010, as the health care reform debate was raging on, Senate Republicans proposed legislative language requiring lawmakers to drop their insurance coverage in the Federal Employees Health Benefits Program and enter the newly created exchange market. The proposal was a political gambit, attempting to force Democrats to cast an embarrassing vote to opt out of one of the Affordable Care Act's major provisions. Democrats called the bluff, however, and the amendment passed easily. Three years later, members of Congress and their staffers are faced with the reality of losing FEHBP coverage.

Bronx News 12: The U.S. Postal Service has unveiled a new way for customers to ship and receive packages in Brooklyn. The service is called Go Post, and the only place it's currently available is at the Williamsburg Station Post Office on South 4th Street. Using the new service is easy. Packages are delivered directly to a Go Post locker. When the parcel is delivered, customers get an email saying it's ready for pick up. Customers can pick up the package directly from a locker. No waiting in line is necessary.

As <u>PostCom President Gene Del Polito</u> put it in a recent contribution to Mailing and Systems Technology magazine, "Over the past three years, I've written more articles and items on postal reform than even I can remember. Despite the repeated assurances from those on Capitol Hill who are supposed to handle such things, virtually nothing has been done to address some of the ills that are plaguing the nation's postal system and hampering the post's ability to function effectively as an engine for mail-based commerce."

#### May 1, 2013

Fox News: Lance Armstrong is facing the federal government in a legal fight with tens of millions of dollars at stake. The cyclist's best chance at protecting his personal fortune likely rests in convincing a jury the government has already earned plenty from him. Armstrong is being sued by the Justice Department to recover at least the \$40 million the U.S. Postal Service paid to sponsor his team. The government claims Armstrong was "unjustly enriched" by using drugs to win the Tour de France seven times. Armstrong's legal team say the contract was worth more than \$100 million in worldwide exposure for the agency. Armstrong could still settle the case before going to trial, which likely would not start until 2014. Previous settlement talks broke down earlier this year. *[EdNote: And this is the kind of mess an agency creates for itself when it does something that causes people to shake their heads, and then defends itself by spinning yarns about the oodles of benefits it's received.*. It's called getting hoisted by your own petard.]

At the Postal Regulatory Commission:

 R2013-6 Chairman's Information Request No. 1 <u>http://www.prc.gov/docs/86/86887/CHIR%20No.%201.pdf</u> <u>http://www.prc.gov/docs/86/86887/CHIR No. 1.docx</u>

"To clarify the United States Postal Service Notice of Market-Dominant Price Adjustment (Technology Credit Promotion), filed April 16, 2013, the Postal Service is requested to provide written responses to the following questions. Answers should be provided to individual questions as soon as they are developed, but no later than May 7, 2013....." [EdNote: And there are lots of them.]

Sacramento Bee: A Sacramento postal carrier has been fired for allegedly discarding mail in a large trash bin. The U.S. Postal Service Office of the Inspector General was notified Monday of the alleged dumping of mail in the parking lot garbage bin at an apartment complex in the 2700 block of Meadowview Road. The mail was recovered and was delivered.

Lish Times: An Post's most unprofitable business is its postal delivery service, the State company's incoming chairman told an Oireachtas committee today. The company last week revealed that it lost over €39 million last year, €17 million of which was directly attributable to its operations. Chairman designate, Christophe Mueller, told the Oireachtas Joint Committee on Transport and Communications today that the most unprofitable element of the business is the "last mile", that is, the final leg of its postal delivery service. He warned that the company has to tackle the problem of maintaining services such as this while keeping them affordable for its customers. Mr Mueller indicated that post codes could be part of the solution.

Hudson Valley Press: The following was submitted by the Mid-Hudson Area Local American Postal Workers Union: Recently the United States Postal Service notified the Mid-Hudson Processing Plant, located in Newburgh, NY, that they were beginning the process of moving mail 96 miles away to Albany to be worked. The latest notice says that the USPS will have this done by September, 30, 2013. In an attempt to save Mid-Hudson and the community in general, the local APWU has initiated a formal complaint to the Postal Regulatory Commission (PRC). We are seeking the PRC to enforce the Postal Accountability and Enhancement Act (PAEA) and make the USPS revise all Area Mail Processing (AMP) studies and give complete and un-redacted copies to the union. We are also requesting a new public hearing, as the AMP study for the Mid-Hudson P & DC is over 2 years old.



Office of the Inspector General:

• Report Number DP-AR-13-004(R): U.S. Postal Service Data Governance Audit Report

"The U.S. Postal Service operates one of the largest information technology infrastructures in the world and has an inventory of 795 computer applications. Data from many of those applications are collected into data repositories and shared widely within the Postal Service. Using those assets to make informed decisions is particularly important for the Postal Service, as declining revenue, the struggling national economy, and the increasingly digital nature of the world threaten its core business. One of its key strategies is to leverage its strengths by integrating data to improve business decisions. In fiscal year (FY) 2012, the U.S. Postal Service Office of Inspector General (OIG) conducted a series of audits related to how the Postal Service uses data to manage its operations. We also examined data governance, the process to ensure that data are managed and fully utilized, in six best-in class companies to identify best practices that the Postal Service might adopt to optimize resources and efforts. Our objective was to determine whether the Postal Service was effectively managing and using data in a manner that assists employees in achieving strategic and operational goals....."

• The <u>sale of domestic and internal money orders</u> represents over \$100 million in revenue annually for the U.S. Postal Service. In fiscal year (FY) 2012, revenue generated from sales of these money orders was \$129 million. As a control to identify errors, the Postal Service each month performs a reconciliation of the cashed amount and the face value of a sold money order. During FYs 2010 through 2012, reconciliation differences averaged \$2.1 million annually. We initiated an audit to determine whether money order controls are sufficient to detect fraud in a timely manner....

Wall Street Journal: You're using a smartphone, and today that thin slab has roughly the same computing power as the powerful desktops of 2005. Economists can't quite find them. European Pressphoto Agency Facebook's Sheryl Sandberg, one of many smartphone power users. By that I mean they can't find how these mobile devices are improving worker productivity, which computers have been doing quite ruthlessly for the last 70 years. The official U.S. productivity numbers are low when compared with the stunning 3% yearly gains of the first Web era, roughly 1995 to 2004. In fact, annual productivity growth since 2004 is about 1.5%, below even the long-term average of 2.25%. It's as if a time-wasting flock of Angry Birds has buried productivity like a worm. [EdNote: The trouble today is "smart" phones aren't really being used as commerce enhancement tools. They're being used as personal entertainment devices. In time, humanity will entertain itself into extinction.]

Press Release: To better serve small business owners in all areas of the country, **The UPS Store® introduced** today its Main Street franchise model designed to support opening The UPS Stores into small towns and rural communities within the U.S. The new The UPS Store franchise model allows qualifying franchisees to save \$20,000 in fees and an additional \$40,000-\$60,000 in other The UPS Store franchise costs compared to Franchisees in more urban locations. According to 2010 Census data, nearly one-third of U.S. residents live in rural areas. "We have heard firsthand from our small business customers how important it is for them to support their local communities," said Chris Adkins, vice president of franchise development at The UPS Store, Inc. "Our Main Street model can help make sure small businesses in rural locations have access to the products, services and support they need."

The Asahi Shimbun: Toshiba Corp. announced on May 1 that its wholly owned subsidiary, Toshiba Asia Pacific Ltd., has been awarded a contract to supply Singapore Post with a completely integrated automated postal system. Under the 3.6-billion-yen (\$37 million) contract, the electronics company will supply a system that can sort and cancel letters and packages as well as recognize addresses and barcodes on mail. The contract follows Toshiba's success in winning a contract from Post Serbia in January.

Kam City: The Post Office has launched a search for retailers to run 70 Crown branches, a day after workers went on strike over the move. The company said it was expecting strong interest from independent and national retailers wanting to operate a Post Office branch from their premises. The Post Office said it had already received over 150 expressions of interest from potential retail partners who wanted to benefit from increased footfall into their store and the income they receive from selling and transacting postal products.

**<u>4-Traders</u>**: Quad/Graphics, Inc., a leading global printer and media channel integrator, has purchased a minority interest in Pixability, a YouTube-certified marketing and advertising company that works with brands, e-commerce firms and agencies to improve video marketing results. Leading brand marketers and publishers will have access to a powerful solution that allows them to easily and effectively incorporate online video with any of their marketing channels to engage prospects and customers - from awareness to action through to customer support.

**Direct Marketing News:** Concerning the future of the U.S. Postal Service (USPS), one thing is abundantly clear: It is going to change, sooner rather than later, and in significant fashion. "**The postal service is a dinosaur**," Postal Regulatory Commission (PRC) General Counsel Stephen Sharfman told marketers at the recent Direct Marketing Association 2013 DMA in DC Conference. "It's still roaming the earth, but the question is how long it will continue to do so and what role it will play." One way or another, direct mailers will have to get used to the notion of a scaled down Postal Service. "It is going to shrink, it has to shrink," Sharfman concluded. "As a model, what comes to mind is passenger rail service. It's preserved by Congress, important to some, but certainly not as important as it used to be."

**Yakima Herald**: Something has to give with the U.S. Postal Service, a self-supporting government agency that is struggling with digital competition and is handcuffed by externally imposed constraints.

**EXAMPLE 1** Courier-Express-Postal), published by the MRU Consultancy, has reported that:

A decline in the core business halved Itella's earnings in the first quarter of 2013.

Austrian Post's ambitious plans in the Hungarian letter market (CEP-News 16/13) suffered a setback. The regulatory authority NMHH has rejected the application of the post's low cost subsidiary Feibra for a licence.

Spain's competition authority Comisión de la Competencia (CNC) imposed a fine in the millions on the post once more

Posten Norge faced a hefty drop in profits on a slightly decreased turnover in the first quarter of 2013.

Poste Italiane apparently abused its dominant position on the market again. According to the authority, the post did not charge VAT on individually negotiated contracts with shippers.

A recently published study draws a bleak picture of Canada Post's future.

The Irish post plunged into the red on stagnating revenues in the last business year.

Canada Post pile on the legal conflict about the alleged copyright infringement of postal codes by company Geolytica.

The Brazilian post significantly improved revenues and earnings in 2012.

The French government plans to reduce the scope of the universal service. Apparently the government paves the way for a reduction of the funding and 'a downward adjustment of the tasks that are of public interest'.

PostNord further strengthened its market position in the Swedish logistics market.

The Thai post expects a rise in revenues and profit this year due to the booming e-commerce.

UPS is moving up a gear concerning the planned setup of its parcel shop network in Germany. According to yet unconfirmed media reports, CTT Correios could obtain a banking licence in

the short term.

Deutsche Post is entering the mobile payment market in co-operation with software specialist Valuephone.

The British postal union Communication Workers Union still clings to the boycott of Royal Mail's downstream access mail.

SingPost replaces all of its sorting equipment.

South Korea is going to adjust its address system to western standards.

The establishment of a new regulatory authority for the CEP market is becoming more and more likely in Pakistan.



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

From the Federal Register: Postal Service NOTICES Meetings; Sunshine Act, 25490 [2013–10344] [TEXT] [PDF]

PC World: "E-signatures: The complete guide to paperless signing"