

### 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 2014

### May 31, 2014

**<u>Tahlequah Daily Press</u>**: A handful of rural residents in Cherokee County have complained in recent weeks about mail delivery from the U.S. Postal Service, saying their mail is being put in their neighbor's boxes, or they're not getting it at all. Park Hill resident Jennifer Gibbs contacted the Daily Press, asserting she's had prolonged problems receiving her mail, and that the local postmaster has done little to rectify the situation.

National Journal: House Republicans are constructing a proposal to keep thousands of roads and transit projects from grinding to a halt this summer by transferring funds into the nation's nearly depleted Highway Trust Fund from the already money-losing U.S. Postal Service. But in a memo to rank-and-file House GOP members dated Friday, Speaker John Boehner and his top two lieutenants cast the plan they are crafting as one that would also work to benefit the Postal Service—by granting its request to eliminate Saturday delivery service. That, members are told, would allow the USPS "to better operate within its own revenue stream" while also providing \$10.7 billion in offsets over 10 years that could be used for the trust fund. At least one conservative group, Heritage Action for America,

has already come out against the idea. See also the Wall Street Journal.

Sen. Thomas Carper (D-DE): Indeed, the above prompted the following reaction from Senator Carper, who chairs the Committee on Homeland Security and Governmental Affairs and the Subcommittee on Transportation and Infrastructure, and who has been calling for responsible postal reform for years:



"This proposal from House Republican Leadership is a non-starter. It kicks the can down the road yet again on two pressing issues -- fixing the Postal Service and the Highway Trust Fund -- and fails to solve either problem. The hard truth is that moving to a five-day delivery schedule isn't enough on its own to save the Highway Trust Fund or the U.S. Postal Service. The numbers just don't add up. Furthermore, using permanent policy changes, like moving to 5-day delivery, as a short-term funding band-aid is not responsible leadership. We have been relying on short-term patches to fund the Highway Trust Fund since 2009 and it's both ineffective and expensive. If House Republicans want to prevent a taxpayer bailout of the Postal Service, they should focus on passing comprehensive postal reform legislation, not shirking the responsibility of making tough decisions regarding the future of our nation's infrastructure. I'm committed to solving the financial crises facing both the U.S. Postal Service and the Highway Trust Fund and I stand ready to work with colleagues on both sides of the aisle to find responsible solutions to these important challenges but I can't endorse a plan that just dodges the tough decisions yet again and doesn't fix any problems along the way."

# INDUSTRYALERT <u>2014 Color Print in First-Class Mail Transactions Promotion</u> <u>Webinar Thursday, June 12, 2014 3:00 p.m. EDT</u> Pre-registration

is required - lines are limited so please sign up today! The USPS Mailing Services team will present an informative webinar about the 2014 Color Print in First-Class Mail Transactions Promotion. Interested mailers and mail service providers should plan to attend to learn about ways to enhance the value of mail by adding color messages and/or promotions to transaction mailpieces. Mailers have the opportunity to earn a 2% discount on eligible postage, boost brand value through greater consumer connection, and improve the overall marketing experience with this First-Class Mail Promotion. Please join us on Thursday, June 12th to learn more about the program and registration requirements.

American Postal Workers Union: Members of the American Postal Workers Union will protest a nobid, sweetheart deal with the United States Postal Service on Monday, June 2, immediately prior to annual meeting of Staples shareholders in Palo Alto, CA.

Denver CBS4: A mail carrier who worked out of a post office in Golden was sentenced for stealing mail from his customers this week. John Bonney will spend two years on probation for taking gift cards and using them himself. Bonney admitted to investigators that he would look through mail he collected from mailboxes for anything that looked like a greeting card. In some cases he'd find gift cards and cash inside. The U.S. Attorney's Office says Bonney worked as a mail carrier for 15 years before he was caught last year.

**PostCom Members!! The latest issue of PostCom's PostOps Update has been posted on this site.** In this issue: \* USPS Delays July Full-Service IMb eDoc Assessments \* USPS Says January 2015 Pricing Change Plans Up in the Air \* eInduction Postage Assessment Also Delayed \* USPS Advises DMU Mailers to Reach 75% Full-Service \* USPS Also Pushing Toward Seamless Acceptance \* DMM Simplification – Much Ado About Nothing? \* Why Mailers Care About the DMM \* RIBBS Feature Shows Updated Files \* Monthly Labeling List Cycle Delay \* Flats Scheme Labeling List Changes Effective July 1, 2014 \* USPS to Pilot Hubs in July for August Implementation \* Future Move Update Verification Process \* Package Visibility Metrics to Increase \* FSS 250-Pound Pallet Requirement Wreaks Havoc for Mailers \* USPS Shares Flats Strategies Overview \* USPS Open to Catalog Prospecting Incentive Concept \* 2014 Promotions/Incentives Re-Cap \* USPS List of Promotion Ideas for 2015 in the Works \* USPS Promotions Email Change \* USPS to Pilot Flats Bundle Scanning \* USPS to Pursue Additional RFIs on Pallet Unloading/Flats Bundle Sorting USPS Continues Bundles and Flats Equipment Modifications \* CASS Cycle O Update \* Other Address Quality News \* CIN Code Changes to Come \* Standard Mail Volume Trends \* Pulse of the Periodicals Industry \* Packages MIDs and What to Do When Your Child Leaves Home \* Other Packages News from MTAC \* MTEOR Launch for Local Mailers

The Herald: Zimpost's revenue income for the five months to May slumped by 15 percent due to the prevailing harsh economic environment. Zimpost managing director Douglas Zimbango said postal services are now considered unnecessary mainly on the back of the rise in the use of digital technology. He, however, said Zimpost is currently transitioning from a postal-centred firm to a more agency based entity which will see the company changing its fortunes for the better. "We are currently rolling out a raft of measures which will eventually take us to a stage where we will be offering the right services for each community and clearly we will see a reversal of the negative trend. "We are in a transition from a mostly postal entity to an agency entity, so we are now entering into agreements with other service providers so that we use our extensive network to provide other services in outlying areas, thereby enabling services that are currently confined to urban areas to be offered nationwide. "This is an avenue we feel will be able to make money and replace the volumes that we are losing from the drop in postal services," he said.

**EXAMPLE 10 at 10 a.m. (EDT)** This webinar describes the eligibility, features and benefits of USPS Return Services (Scan Based Payment Returns). Join us as we describe the scan based payment process, available

options for USPS Return Services enrollees and the process for onboarding new participants.

**Deadline:** Is your company facing an existential threat from a looming technology shift? If so, Netflix CEO Reed Hastings has some suggestions, like don't forget about the customers you already have while figuring out how to attract new ones. Speaking today at the Code Conference in Rancho Palos Verdes, CA, Hastings said Netflix was too concerned with the wrong issues when it spun off its DVD-by-mail business in 2011 to focus on online movie delivery. "In hindsight, we were so focused on not dying with DVD," he said. The fact that your company may not be strategically positioned for the next 10 years, [customers] don't care about that." What they care about is continuing to get the service they want, without unnecessary headaches.

CleanTech: Green Automotive Company announces that its European based subsidiary, Liberty Electric Cars, has successfully completed the build of the first fully functioning example of "DELIVER" - an electric delivery vehicle funded by the European Commissions' 7th Framework Programme which brings together ten partner companies from across Europe. DELIVER will have its world Premiere at FISITA World Automotive Congress, which starts on 2nd June 2014 in Maastricht (NL).

Travel AOL.com: A new fleet of "post offices on wheels" will provide "walk-in" postal and banking services in 250 rural areas every week. The 40 mobile post offices will be run by subpostmasters and will serve the more isolated areas of the UK. The Mercedes Sprinter vans, which have an accessibility lift, will cover half a million miles over the coming year.

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

- The Postal Service published its unaudited April results with the Postal Regulatory Commission. USPS lost \$440 million in April 2014. The Postal Service's controllable operating INCOME for the month was \$277 million. The USPS shows a year-to-date net loss of \$2.67 billion, yet when you look at the controllable income for the same time frame, it shows a controllable operating income of \$1.35 billion.
- Mailers at last week's Mailers Technical Advisory Committee (MTAC) meeting heard a variety of presentations and discussions from senior USPS leadership, many of which included the Postal Service's commitment to continue to work "collaboratively" with its customers. It is clear that the Postal Service knows how to "talk the talk" about customer partnerships, collaborative efforts, two-way dialogue, and wanting feedback. But things were a bit more silent when mailers tried to get the Postal Service to understand the extremely detrimental impact one of its recent mail preparation rule changes are having on their business.
- The Postal Service filed its first exigent report with the Postal Regulatory Commission. The Commission found that the USPS had justified the recovery of \$2.776 billion in additional contribution. In this filing, the USPS has collected \$347.4 million in exigent surcharge revenue.
- GOP's latest attempt to destroy the USPS. USPS postmaster RIF pushed back until 2015. Money-losing Post Office said to be highway fund source. Why UPS spends more than \$1 billion on big data annually. Stamps.com announces USPS shipping integration with Shopify. After last year's troubles, UPSers will be working on Black Friday this year. Postal innovation and the bottom line. Buyouts and bats: endangered species? Leahy pulls patent reform bill.
- Updates from the USPS Consumer and Industry Affairs.
- This week's listing of postal notices in the Federal Register.
- Announcements on recent reports, projects, and blog entries of the USPS OIG.
- International postal news
- 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 New Zealand Herald: Cook Islands rugby star Ioane George Ioane will still play in June's World Cup qualifier against Fiji despite being sentenced in court today for mail theft and unlawfully opening 1700 postal items.

**MyNews3**: Thousands of grandparents continue to be scam targets across the country, according to U.S. postal inspectors. Wanda Wood said the voice sounded like her grandson. He said he needed help and money immediately. "I really and truly believed it was Matt," Wood said. "The kid sounded like Matt." Postal inspectors say Wood was one of thousands of Americans who have been victims of the so-called "Grandparent Scheme." There are countless variations on the stories told.

**The Post-Journal:** U.S. Attorney William J. Hochul, Jr. announced today that in separate and unrelated cases, Amanda Elliott, 35, of Ellington, N.Y., and Tamara Elliott, 30, of Falconer, N.Y., pleaded guilty to misappropriation of postal service funds by postal service employee before U.S. Magistrate Judge Leslie G. Foschio. The charge carries a maximum sentence 10 years in prison, a fine of \$250,000 or both.

Bloomberg Businessweek: "Cutting Back Mail Delivery"

May 29, 2014

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

Quarterly Statistics Reports, Quarter 2, FY 2014 (Revenue Piece Weight Data for Market Dominant Products) http://www.prc.gov/docs/89/89828/Letter QuartStat Q2 FY14 20140529161431.pdf http://www.prc.gov/docs/89/89828/Qtrly Statistics Report Q2-FY2014.pdf

Experience And the Antipart of the Antipart and the Antipart and Antip Minister said amid fears it could be under threat at the recently privatised Royal Mail.

**Greeting Card Association**: The Greeting Card Association (GCA) issued the following statement in response to rumored efforts by House Republicans aimed at using the elimination of Saturday mail delivery as a "pay-for" to offset a bailout of the Highway Trust Fund: "Eliminating essential services like Saturday delivery in order to bail out the Highway Trust Fund is a misguided and infeasible tactic that should be dismissed out of hand," said Rafe Morrissey, GCA Vice President of Postal Affairs. "The Postal Service is already in serious financial duress and any consideration of measures that would deprive consumers and small businesses of critical services, while further sacrificing revenue and ceding mail volume to competitors, is irresponsible and unacceptable." Morrissey continued, "The Postal Service's financial crisis deserves comprehensive and dedicated reform legislation, not piecemeal provisions on unrelated issues. Under no circumstances should Postal Service finances be allocated to non-postal expenditures."

# Committee (MTAC)

Mailers' Technical Advisory Presentations and notes from the May 21 MTAC meeting are available on the MTAC webpage on RIBBS. The documents are located in the MTAC Open Session and MTAC Membership Assembly/Focus Group

Discussions section under May 2014 MTAC Meeting Presentations. Due to the Memorial Day holiday on Monday, notes from the focus group discussions will be available early next week.

Bits and Bytes:

- <u>SeeMoreInteractive</u>: The dominance of mobile is pretty evident almost everywhere. Mobile commerce has grown significantly over the past few years for big brands. But when small businesses are considered, they are still lagging behind in the mobile space. The primary reason behind this is the uncertainty that comes with descending scale pricing and the difficult order processing of various mobile payment systems. There is a stark contrast between the overall mobile commerce scenario and that of small businesses.
- <u>Mobile Storm</u>: BIA/Kelsey estimates in a new report that total U.S. social media advertising revenues will grow from \$5.1 billion in 2013 to \$15 billion in 2018.
- <u>Mobile Storm</u>: Marketing experts agree that email marketing still remains one of the most powerful as well as cost-effective channels for engaging prospective customers. They also agree that, unfortunately, deliverability remains a problem and cite the fact that even permission-based, relevant emails are still often being filtered out.



• <u>Mobile Marketing Watch</u>: It's official; the most popular platform for interacting with marketing emails is now mobile devices. One problem that marketers still face however, according to recent reports, is that it's becoming harder than ever to get users to click through on those emails once opened. The problem is that the percentage of emails actually being opened on mobile platforms is quite a bit lower than for others and, while it has stayed relatively steady on desktop and webmail, the percentage of clicks / opens on mobile devices was found to be steadily decreasing.

Federal News Radio: In order to climb out of their traditional financial struggles, the Postal Service should consider renovating its decades-old benefits programs by moving to a modern, private-sector model. It also should consider implementing contributory retirement plans similar to 401(k), switching from categorized leave to a paid-time-off plan and reducing carry-over leave days. These are a few of the recommendations in a new report from the USPS inspector general, which benchmarked the service's leave and retirement benefits programs against the private sector. Auditors reviewed six private and two government sector organizations.

Buisness Recorder: Pakistan Post has implemented computerized counter system at all 83 General Post Offices (GPOs) across the country. Senior officials of Pakistan Post told APP that improvement in the quality of service to the customers has been a prime objective of all such directions, adding that counter computerization is one of the efforts in this decision. The officials further said that due to technological development and the changing needs of the customers it is imperative that the postal services becomes competitive and improve its quality of service through the meaningful use of information technology by computerization counters.

Industry Today: Baker Goodchild this week warned Royal Mail that its 'mixed messages' risk alienating its customer base. Last week the recently privatised parcel and letter delivery firm posted record profits and announced growth in parcel delivery division whilst also warning that the competition threatens its universal service obligation.

**Globe Newswire**: PostNet, the nation's first Neighborhood Business Center, has partnered with industry-leading sales training and technology companies Sandler Training and Salesforce, as part of the franchise's commitment to increase business-to-business sales.



www.twosides.us Paper and Print have a great environmental story to tell. Check us out.

Solution For the Federal Register: Postal Regulatory Commission NOTICES New Postal Products, 30904 [2014–12440] [TEXT] [PDF]

**MSNBC**: Ed Schultz and Sen. Bernie Sanders discuss the Republicans latest attack on the U.S. Postal Service.

**Gulf Times**: The Ministry of Information and Communications Technology and the British Royal Mail yesterday signed a memorandum of understanding for the modernisation of Qatar Postal Services Company (Q-Post). The signing took place on the sidelines of the third edition of Qatar ICT Conference and Exhibition, Qitcom 2014, which concluded yesterday. The MoU was signed by Faleh al-Naemi from the Ministry of Information and Communications Technology and Stan Kozlowski, head of British Postal Consultancy Services, and regional director, emerging countries, Royal Mail International. The purpose of the MoU is to "formalise the two Parties" intentions and lay down the basis of the intended co-operation in furtherance of those intentions, in accordance with the relevant laws and regulations of their respective countries, and based on equality, reciprocity and mutual benefit".

**<u>PinkNews</u>**: The American Family Association is attempting to boycott the US Postal Service, over a stamp honouring gay rights hero Harvey Milk. Milk, the first openly gay politician to be elected in America, was assassinated in November 1978. A stamp in his honour was unveiled last month after years of campaigining, and was launched by the Postal Service at a White House ceremony last week.

**<u>TurnTo23</u>**: The United States Postal Service, Bakersfield's AIDS Project and Youth Empowerment Pride Project will unveil a new stamp honoring a the first openly gay person to be elected to public office in California. They will unveil and dedicate a stamp for Harvey Milk.

Ecresco Times Plain Dealer: With downtown Cresco business and building owners being "surprised" with new centralized box units (CBUs) being installed with little notice, voices were heard by USPS officials as well as city of Cresco administration and council members. At the May 19 Cresco City Council meeting, a large group of downtown business owners came to "protest" the boxes, but possibly work with the Cresco USPS in relocating the many CBUs located throughout the downtown district. Led by Paul Lovell, co-owner of Cresco Bicycles, the group expressed problems with the boxes and how they may have "degraded" their downtown.

### May 28, 2014

**E**<u>Federal Times</u>: The Postal Service's planned reduction in force for thousands of postmasters and the shortening of hours at many post offices is being delayed. The RIF date for postmasters was originally scheduled for the end of summer and early fall but will be pushed back to Jan. 10, 2015, as the Postal Service continues to work with employee unions to transfer as many postmasters into new positions as possible. The Postal Service has offered buyouts and early retirements to thousands of postmasters and other employees over the last few years. The agency couldn't comment more specifically on how many postmasters were affected by the delay of the RIFs and how many could be relocated, saying the agency is still working with postmaster groups on the issue.

Transport Intelligence: The dynamics of the express and small parcel market are shifting as time requirements and technology enhancements such as 3D printing and e-commerce result in more options for customers. Added to this changing scenario are improving economies and the rising needs of emerging markets as well as the changing role of post offices from reliance on letters as the main revenue driver to e-commerce and parcels....

Press Release: UPS today announced the opening of its new contract logistics distribution facility in Beijing. The 6,500 square meters of non-bonded warehouse space located 19 kilometers from Beijing Capital International Airport serves growing demand in China and is capable of servicing contract logistics orders with fourhour delivery within the metropolitan Beijing area and next-business-day orders for major cities throughout China.

Punch: The Minister of Communication Technology, Mrs. Omobola Johnson, has called on postal managers in Nigeria and other West African countries to reposition the postal system for social, financial and digital inclusion in the sub-region.

Emirates 24/7News: Emirates Post (Empost) has reduced parcel rates to Asia and Europe by up to 20 per cent, said a press statement. It reduced parcel rates to all destinations in Europe, and accelerated transit times through a strategic agreement with Emirates airline. In addition, the speedy EMS service to Europe, which charges Dh100 for the first half kilo, assures delivery within 3 days. This service is ideal for urgent documents and far cheaper than most courier companies.

Bloomberg Businessweek: Raising the U.S. gasoline tax is out as a way to shore up the Highway Trust Fund. So is taxing drivers based on the number of miles they clock. A plan to use taxes on companies' overseas profits hasn't gone anywhere. So House Republicans are now turning to the money-losing U.S. Postal Service. Unusual as it may sound, possible savings from revamping the agency's operations are on the table as one way to patch highway funding, said two Republican legislative aides with knowledge of the talks. "The long-term financial prospects of the Postal Service are fairly grim, so the idea that you could take money from that and not further exacerbate one problem in order to try to do a temporary Band-Aid on the other one borders on bizarre," said Scott Lilly, a former staff director of the House Appropriations Committee. He's now a senior fellow at the Center for American Progress, a policy group aligned with Democrats. Postal cuts have been floated as a way to cover the cost of several initiatives in the past two years such as rolling back reductions in veterans' benefits, extending long-term unemployment insurance and balancing spending deals. Looking for unrelated ways to offset the cost of such bills -- seeking a "pay-for" in congressional parlance -- has become commonplace as Republicans oppose raising taxes. Looking to Postal Service cuts to plug the transportation spending hole emphasizes the situation's gravity, Lilly said.

Wall Street Journal: Australia's conservative government scaled back an aggressive plan to privatize state assets that ran the risk of denting its popularity with voters already disgruntled by new, harsh budget measures. Finance Minister Mathias Cormann said the government won't follow an audit commission's recommendation to consider privatizing the national postal service to help pay down the country's debt. It will also not sell the country's main naval shipbuilder, ASC, he told senators at a briefing on Wednesday.

Office of the Inspector General: Leaving Traditional Benefits Behind? Offering workplace benefits such as health and retirement programs and paid vacations is a well established way to attract and retain talented workers. But the structure of these offerings has been changing in the public and private sectors over the past 20 to 30 years for several reasons, including rising pension debts; a more mobile workforce; and a move towards simplified administration of benefits.

The Next Web: Chinese e-commerce giant Alibaba announced today that it will invest S\$312.5 million (\$249 million) into Singapore's national postal service provider SingPost, taking a 10.35 percent stake after the completion of the deal.

PostEurop: The last issue of PostEuropNEWS is available for download at the following online link: <u>http://www.posteurop.org/AllNewsletters</u>

SmartData Collective: UPS gathers data at every possible moment and already store over 16 petabytes of data. They have been working with Big Data for a very long time already. UPS uses a wide variety of data to reduce the environmental impact of their business. They combine data from engines that provide UPS with insights in performance and condition of their vehicles. Apart from the engine performance, also speed, number of stops, mileage and miles per gallon etc. are measured. They use GPS data that captures driver behaviour and safety habits. Sensors in vehicles report data on emissions and fuel consumptions. All kinds of devices monitor deliveries and customer services as well as address points and routes travelled that can be analysed to optimize the routing again. In addition, all drivers have state-of-the-art handheld devices that also collect a lot of data. Long story short: they collect data at every possible moment. Because of all the data they collect, UPS is capable of creating unique

services for its customers.

<u>Forbes</u>: At a time when consumers have shifted preference towards non-premium, time-delayed shipping options, United Parcel Services is focusing on enhancing its premium and time-efficient services. UPS

recently announced the expansion of one of its premium services, UPS Next Day Air Early AM. It is a service wherein packages are delivered the next day by 8 am and also operates on Saturdays. UPS charges a premium rate for this service, and such premium services may help improve UPS's depressed yields (revenue per package).

**DNAInfo Chicago**: The U.S. Postal Service says it is investigating how hundreds of pieces of mail ended up in the trash last week. "The whole neighborhood's mail was in the dumpster," including scores of city sticker renewal notices and "a lot of private mail," said Samuel Tenenbaum of the 60659 ZIP code, who made the discovery on Thursday.

WBUR: "Two Congressmen Talk The Troubled USPS"

May 27, 2014

American Postal Workers Union: The New Hampshire chapter of the American Federation of Teachers has joined the movement to Stop Staples, with the Board of Directors voting on May 23 to endorse the 'Don't Buy Staples' campaign. The AFT-New Hampshire represents 4,000 teachers, school staff and public employees.

**Scan Based Payment for Returns June 10 at 10 a.m. (EDT)** This webinar describes the eligibility, features and benefits of USPS Return Services (Scan Based Payment Returns). Join us as we describe the scan based payment process, available options for USPS Return Services enrollees and the process for onboarding new participants. Please visit us on the <u>USPS Industry Outreach website</u> to view the upcoming webinar schedule and webinar archive presentations. Instructions for participating in the webinar appear below: Attendee Information: Event number: 990 127 378 Event address for attendees: <u>https://usps.webex.com/usps/onstage/g.php?d=990127378&t=a</u> Teleconference information U.S./Canada Attendee Dial-in: (888) 890-1547 Conference ID: 7015974

**Mobile Marketer**: Nielsen recently announced that nearly 40% of online ads aren't doing their job and hitting their target audience.

Market Wired: Stamps.com® has announced a new integration with Shopify, the leading commerce platform that allows anyone to easily sell online, at their retail location, and everywhere in between. The integration gives Shopify customers new and effective methods to simplify their order fulfillment process. Using Stamps.com, retailers can automatically import Shopify orders and print shipping labels for all USPS mail classes, both domestic and international. They also have access to the new BestRate shopping engine, which helps customers identify the most cost-effective mail class using box size, delivery time guarantee and shipping zone. Stamps.com also posts order status details such as the USPS tracking number, shipping date and mail class directly to the Shopify customer's account.

Post & Parcel: Australia Post has said it could be more heavily involved in the federal elections process within Australia, particularly in the digitisation of the voting process. The self-funding state-owned company told a Parliamentary inquiry into the 2013 federal elections that its existing role as a communications platform could be usefully expanded, particularly as Australians progress towards a "digital society". Australia Post submitted evidence to the Joint Standing Committee on Electoral Matters to underline its experience, public trust and other credentials to support new directions and innovations in the nation's electoral process. Its suggestions included providing voter ID authentication, managing the electoral roll and public access to it, and supporting the move towards secure electronic voting.

Nanowerk: Russian Post (Pochta Rossii) and RUSNANO signed an agreement at the St. Petersburg International Economic Forum on cooperation to apply nanotechnology solutions in postal services. The agreement was signed by the CEO of Russian Post, Dmitry Strashnov, and the Executive Chairman of RUSNANO, Anatoly Chubais. Russian Post and RUSNANO create a system for monitoring of postal deliveries

**<u>YLE</u>**: An illegal work stoppage by nearly 300 domestic employees in the national mail carrier's transport sector will last until Friday morning, according to domestic haulage director Timo Kinnunen.

Post & Parcel: Paris-based mail solutions giant Neopost has entered the US high-volume parcel shipping market, with the acquisition of software firm SPSI. Neopost, second largest firm in the global mail solutions market after Pitney Bowes, said Wisconsin-based SPSI would be the "cornerstone" of its US shipping strategy. The company produces a high-volume multi-carrier parcel shipping management software, ProShip, which Neopost intends to position as its platform to market various shipping solutions to US mailers. SPSI's clients already include large retailers, e-commerce merchants, healthcare providers and third-party logistics firms. The company's software connects with carriers including FedEx, UPS, DHL and the US Postal service.

The Advocate: A former postal official is facing sentencing for bribery, fraud and tax offenses. Robert Giulietti of Cheshire is scheduled to be sentenced Friday in federal court in Bridgeport. Prosecutors say Giulietti, a former facilities project manager for the U.S. Postal Service in Windsor, admitted that he accepted about \$89,000 from two contractors to direct inflated postal facilities construction contracts to them.

**Example 1** Ferret: A PwC study reveals that transport, postal and warehousing businesses can gain significantly by investing in mental health. This initiative comes on the back of a new PwC report that reveals transport, postal and warehousing businesses will receive an average return of \$2.80 for every \$1 they invest in effective workplace mental health strategies. At 23%, more than one in five Australian transport, postal and warehousing industry workers have experienced mental health conditions such as depression and anxiety in the past 12 months, but sadly too many workplaces still do not realise the importance of their employees' mental health.

Leadership: With the dwindling fortunes of the postal system worldwide, especially with the emergence of the internet, the federal government is moving to shore up the image of Nigerian Post Service (NIPOST) by converting many of its branches to bank branches and internet service centres. The Ministry of Communications Technology, NIPOST, and the Central Bank of Nigeria (CBN), in collaboration with the Infrastructure Concession Regulatory Commission (ICRC) and the Bureau of Public Enterprise (BPE) have embarked on a project that will result in leveraging the postal network to deliver financial services not only in areas that are unserved by financial institutions such as banks but also to people that are traditionally marginalised by such institutions. Already, the Nigerian Postal Commission Bill has been sent to the national assembly to make way for the reforms. The postal sector in Nigeria has grown over time with more than 1,200 post offices owned by government, close to 2,000 postal agency outfits managed by individuals, and over 250 registered private courier companies. The minister of communications technology, Mrs Omobola Johnson, said since bank branches are mainly located in urban areas, postal outlets have a relatively good presence in rural areas and consequently can contribute substantially to bringing financial services nearer to the rural population. Whilst 32 per cent of Nigerians live or work between 5 to 15 minutes of a bank branch, 61 per cent of the population live or work between 5 to 15 minutes of a post office.

### May 26, 2014

Warsaw Business Journal: State-owned postal operator Poczta Polska will launch its own parcel locker service, Rzeczpospolita reporters. Other players considering such a move are Amazon and DHL, the daily wrote. "We are considering various options for parcel collections and lockers go well with our strategy," Sławomir Żurawski from Poczta Polska told the newspaper. The company is planning to add non-standard locations to its delivery network, possibly in cooperation with retail networks and gasoline stations. Currently Poland has 1,100 parcel lockers, all of them belonging to InPost. That company has said it would expand the capacity of its existing delivery network.

InCyprus: Delays in the postal items routed through Amsterdam have been overcome and delivery of correspondence and parcels is now back to normal. Post Office director Andreas Gregoriou said that the public had shown patience and understanding once the reasons for the delay had been explained and this had helped deal with the difficult situation. The delays in postal items from Amsterdam was due to lack of space on the airlines which had undertaken to transport the correspondence to Cyprus but were unable to do so because of a heavy passenger and cargo load.

Wall Street Journal: European Union antitrust authorities Monday cleared state aid worth 1.45 billion euros (\$2 billion) granted by France to the French post office, La Poste, which aims to ensure the company maintains a postal network in rural areas and helps fund newspaper deliveries. France's decision to spare La Poste EUR850 million in local taxes for the period 2013 to 2017 doesn't violate EU rules on state aid, said the European Commission, which acts as the region's central competition regulator. The commission also authorized grants worth EUR597 million to fund the costs incurred by La Poste in transporting and delivering newspapers over the period 2013-2015.

Business Day: Post Office CEO Chris Hlekane may soon have to backtrack on his decision to rehire almost 600 union members as the cash-strapped organisation cannot pay suppliers and is staring down the barrel of tough budget cuts. Well-placed executives at the state postal utility say that it was expected to suffer the biggest loss in its 300-year history of about R800-million for the year to March. Hlekane this week called an urgent meeting where he is understood to have instructed department heads to cut their budgets 20% in the light of this impending loss.

The Colorado Springs Gazette: Some unusual mailboxes stand out - and there's often an interesting story behind them.

The Motor Report: Renault has electrified its existing supply deal with Australia Post by adding two Kangoo Z.E. ('Zero Emission') vans to the service's Melbourne fleet. Arriving as part of a new 12-month feasibility study, the Melbourne vans will be joined by two more electric Kangoos bound for Sydney later this year.

### May 24, 2014

Reuters: Deutsche Post is aiming for a top spot in the global logistics market for online shopping, its chief executive told a German weekly, adding small acquisitions could help achieve this.

Winnepeg Free Press: Canada Post will announce the location of the first community mailboxes in the next few weeks, says a spokeswoman for the Crown corporation. Parts of north Winnipeg with R2V and R2P area codes will be among the first spots to receive the new mailboxes. "It really depends on the urban landscape -- there is not a one-size-fits-all," Canada Post spokeswoman Anick Losier said Tuesday. Losier said wherever the community mailboxes are placed, there will be no cost to the city and Canada Post will rely on existing street lighting to provide illumination.

Solution State Sta

- Consolidation of the Huntsville, AL, Processing and Distribution Facility
- <u>Passport Personally Identifiable Information</u>
- Southeastern Pennsylvania Processing and Distribution Center Consolidation

**E**<u>Louisville Business First</u>: For the first time in several years, employees of United Parcel Service Inc. nationwide will be working on the day after Thanksgiving this year. That's after shipping delays — brought on by heavy volume, weather and a shorter-than-average Christmas season — plagued the shipping giant last year. UPS is based in Atlanta, and its UPS Airlines division and largest air sorting hub, Worldport, are located in Louisville. It also has major ground and warehousing operations here. It has about 20,000 full-time equivalent workers in Louisville, making it the area's largest private-sector employer. The goal of having the extra working day "is to accommodate our customers' changing shipping patterns, e-commerce in particular," said Mike Mangeot, public relations manager for the company. He wasn't sure how long it has been since UPS employees have worked on Black Friday. But he said it will be the first time they've done so in his 23 years with the company.

**Stuff:** New Zealand Post has finally confronted the inevitable, announcing plans to cut home delivery from six days to three from July next year, and halving the number of major processing centres nationwide. With the changes will go 1500 to 2000 jobs. But is too late to save snail mail?

Bloomberg Businessweek: For three years, U.S. Representative Darrell Issa (R-Calif.) has been trying to maneouver a comprehensive postal reform bill though Congress. His rescue plan for the ailing U.S. Postal Service involves eliminating Saturday letter delivery, closing some money-losing post offices, and consolidating the agency's sprawling distribution network so it can process declining mail volume more efficiently. European countries such as Norway have done some of the same things with success, but so far, Issa hasn't been able to sell his ideas to his House colleagues, Democrat or Republican. Now Issa has scaled back his ambitions. On Wednesday, the House Committee on Oversight and Government Reform, which Issa chairs, passed a bill to eliminate door-to-door delivery for 15 million addresses and replace it with delivery to local cluster boxes or curbside mailboxes. Issa estimates that the bill would save the USPS \$2 billion a year. That's not an insignificant sum.

**Post & Parcel:** PostNL has said it has reached a new deal in principle with its trade unions to combine the collective bargaining agreements for the mail business and PostNL Parcels. The Dutch postal operator said the combined new collective bargaining agreement will apply from April 2013 to the end of December 2014. The agreement is based on a pay rise of 1% retroactive from April 2013, a 2.1% pay rise from January 2014, and a 0.5% pay rise will also go into effect from July 2014. A one-time bonus of 1% of the 2013 salary will also be paid.

# **At the Postal Regulatory Commission**:

• National Trial Balance, April, 2014 (FY 2014); and Statement of Revenue and Expenses, April, 2014 (FY 2014)

http://www.prc.gov/docs/89/89807/Letter NTB-SRE April FY1 20140523162127.pdf http://www.prc.gov/docs/89/89807/National%20Trial%20Balance%20-%20Redacted,%20%20April,%202014%20(FY%202014).xls http://www.prc.gov/docs/89/89807/Statement%20of%20Revenue%20and%20Expenses%20-%20Redacted,%20%20April,%202014%20(FY%202014).xls

- Billing Determinants for Quarter 2 of Fiscal Year 2014 Market Dominant Products Billing Determinants Link: USPS Preliminary Financial Information (Unaudited), April, 2014 <u>http://www.prc.gov/docs/89/89809/2014.5.22%20April%20FY2014%20PRC%20Report--attachment.pdf</u> <u>http://www.prc.gov/docs/89/89809/Letter\_PFI\_April2014\_20140523162233.pdf</u>
- Billing Determinants for Quarter 2 of Fiscal Year 2014 International Market Dominant Products <u>http://www.prc.gov/docs/89/89812/Letter\_BillDet\_Q2\_FY14\_20140523162632.pdf</u> <u>http://www.prc.gov/docs/89/89812/Q214\_MKT\_DOMINANT\_INTL\_BD.xls</u>

### May 23, 2014

Lsland News and Advertiser: Rural communities' worst fears over Royal Mail privatisation are set to come true, the SNP has said, after reports that the company is struggling to meet its Universal Service Obligation (USO). Isles SNP MP Angus MacNeil (pictured) said: "The SNP repeatedly warned that privatisation of the Royal Mail would inevitably lead to pressure on the USO – warnings which were dismissed by the UK Government, which pressed ahead with the sell-off. "The privatisation has already proved controversial, after the UK Government reportedly undervalued Royal Mail shares to the tune of almost three quarters of a billion pounds.

The Globe and Mail: Deutsche Post is aiming to tap an expected surge in online shopping in developing countries by offering clients in its main European markets a service that can deal with shipping and red tape, as well as delivering to a customer's door.

Federal News Radio: What do federal buyouts have in common with the beloved Indiana Bat? Short answer: A lot. Or, at least, maybe more than you might think. The thing is that the odds of your ever seeing a \$25,000 buyout, known in government as a VSI (voluntary separation incentive payment), are about as good as your chances of coming across a Myotis sodalis, the proper name for the flying mammals. Both those kinds of bats and buyouts appear to be on the endangered species list. Buyouts were the name of the downsizing game in the 1990s. They started in the Defense Department but soon spread to other agencies under orders from the White House to cut the federal payroll. Buyouts enjoyed a brief but smaller return a couple of years ago. The elusive Indiana bat. (Photo by Adam Mann/FWS.gov) But since sequestration, furloughs and the two-year budget agreement, most agencies that must reduce staff seem to be depending on attrition or early- retirements (VERAs). In the past, early-outs were popular when accompanied by a buyout. But when it is a standalone early-retirement offer the take rate is less than 2 percent. Buyouts were a popular tool with agencies in 2012. The U.S. Postal Service offered buyouts (worth \$15,000). [EdNote: Yessir. Mailers were the ones who were made to pay the cash used for those buyouts to fund the Postal Service's "no layoff" policy.]

**Direct Marketing News:** Rep. Darrell Issa (R-CA), sponsor of the Postal Reform Act in the House, made a special appearance before a subcommittee hearing on postal innovation today to bang home his belief that five-day delivery and cluster boxes are more important to the future of the postal service than innovation for innovation's sake.

The Guardian: Royal Mail has warned that postal deliveries to rural areas are under threat because rivals are being allowed to cherry pick easy and profitable deliveries in towns and cities without having to run services to isolated homes such as on Scottish islands. After the furore over its sell-off last year, which sparked accusations the soaring share price at the float had effectively lost the taxpayer £750m in a day, the company issued its warning on Thursday over the universal service obligation as it reported a 12% rise in operating profits to £671m. Moya Greene, Royal Mail's chief executive, said rival TNT Post UK's ability to pick off profitable routes in big cities was "striking at the economics of the universal service obligation" - its statutory duty to deliver to every address in the country, six days a week, at the same price. TNT Post UK has launched "final mile" delivery services in London, Manchester and Liverpool, and plans to deliver to up to 42% of addresses by 2017. Greene said Royal Mail subsidised expensive deliveries to rural areas from the profits it made from services in big cities, and any increased threat from rivals could cost it £200m in revenues by 2017.

**PRWeb:** A new white paper, written by renowned author and print industry commentator Cary Sherburne, takes a look at the questions faced by many print service providers making the decision to invest in software. Most printing companies understand the need to invest in various types of software as they continue to evolve their business models and infrastructure to better address current market realities. Building a customer-facing web portal that allows customers to do business online is a key component in todays marketplace, but as customers increasingly demand more shorter run jobs and faster turnaround times, printers need to operate more efficiently. This means eliminating as many touches from their workflow as possible to process these orders profitably, which is where workflow technologies such as automation tools and print MIS come into play. But how should these investments be prioritized? Is a web-to-print storefront the first step? Should you work on the back end first? Or perhaps there is a way to address both at once?

Akihabara News: Japan Post, Japan's national postal and package delivery, banking and insurance service company, today announced launch of their new shipment service "Click Post" to provide smooth shipment services for products traded at the online auction service Yahoo-oku run by Yahoo! JAPAN. With Click Post, you can ship a small package using a shipment label issued online. Specifically, after logging into the Click Post site with your Yahoo! JAPAN ID, you fill out the sender and receiver's information and complete the payment. Then, simply print the shipment label issued on the site and attach it on the package, and then post it.

PoliticalNews: U.S. Senator Kirsten Gillibrand called on the U.S. Postal Service (USPS) to ensure that the Cherry Grove Post Office remains open on Fire Island during the peak season between Memorial Day and Labor Day. USPS recently failed to renew the independent operator's contract for this post office, which provides the only postal service for thousands of residents of the Brookhaven hamlet of Cherry Grove throughout the spring and summer and

serves as a community center for the neighborhood.

### From the Federal Register: Postal Regulatory Commission NOTICES New Postal Products, 29820– 29821 [2014–11943] [TEXT] [PDF]

**Today's Trucking:** When Federal Express changed their name to FedEx, they did so with the intention of becoming a household verb. 'We'll FedEx it to you' has since become standard shipping and freighting lingo. It appears Canadian freighter Purolator wants to do the same in FedEx's own territory after doing it in Canada. Long Island Business News has released its yearly Outstanding CEOs list, and among them is Purolator International President John Costanzo. The accolade signals a quietly astonishing traction gain in the western hemisphere's biggest market: America. Costanzo joined the Canadian shipping corporation in 2001 after spending four years as TNT USA Inc.'s President. When he first started at Purolator, the corporation had a small presence in the US with just three fledgling branch operations in the country. Today, that number has grown to 30 branch operations in the U.S., reaching all four corners of the nation. Twenty of those 30 new branch ops have come since 2010, an extraordinary growth success of 200 percent in just four years.

**DC** Velocity: The move toward dimensional pricing continues. FedEx Corp. recently made headlines by announcing that starting Jan. 1, 2015, it would price ground parcel shipments measuring less than three cubic feet by size rather than weight. This will likely result in significant rate increases for lightweight, bulky shipments that take up a lot of space in the company's vans. FedEx is far from the first to go the dimensional pricing route. Old Dominion Freight Line (ODFL) pioneered the practice in less-than-truckload (LTL) transportation a few years ago. More recently, UPS Freight, the LTL unit of UPS Inc., rolled out a density-based pricing program for interested shippers. Now, LTL carrier YRC Worldwide has similar plans. The company expects to install 38 automated "dimensioners" to measure and weigh items at some of its YRC Freight terminals by year's end. YRC also has a pilot program to install dimensioners at some locations operated by its YRC Regional unit, CFO Jamie Pierson said in a conference call to discuss the company's first-quarter results.

New York Daily News: Neither snow, nor rain, nor hail could stop a Brooklyn postal supervisor from hawking valuable baseball, basketball and football cards taken from the mail, prosecutors claim. John Bu, 38, was arrested Thursday and charged with possessing stolen mail, which carries a top sentence of five years in prison. Bu appeared in White Plains Federal Court. He made thousands selling the cards last year at a sports memorabilia store, prosecutors say. The collectibles included Mickey Mantle, Larry Bird and Jerry Rice cards.

Section 2015 Install Service Inspector General report has found the greater Boston area has experienced significant delays in mail delivery. The report found the Boston Processing and Distribution Center had about 28 million delayed pieces of mail in the first quarter of the 2014 fiscal year - a 56 percent increase compared with the same period last year. Similarly sized facilities averaged about 8 million delayed pieces of mail during the same period. The report said the majority of delayed mail was due to what it called "implementation errors" associated with the efforts to consolidate the Boston operation with the Middlesex Essex Processing and Distribution Center, Those errors included a failure to acquire additional equipment, properly schedule employees, and properly supervise mail flow.

Baily Mail: Royal Mail could be forced to increase the price of stamps unless the 'unfettered' rollout of rival postmen by TNT Post is brought under control, it was feared last night. It warned that TNT Post's growth 'could threaten the fundamental economics of the universal service' - the rule that requires Royal Mail to deliver six days a week to every address in Britain. Deliveries have to cost the same whether a letter goes to London or Land's End. Retaining this service was a key factor in Royal Mail's sell-off last year. When it was floated in October, ministers insisted the universal service was protected by law. But Royal Mail chose the announcement of its first annual financial results as a private company to warn that the requirement was under threat because the firm was losing business to its competitors. TNT Post is not bound by the universal service and does not have to deliver everywhere in Britain.

### **Attention Postal One! Users:** Attention users of the Incentives Program and Online Enrollment

Services: A training session will be provided to familiarize existing mailers with the new Pre-Production environment for the Incentive Programs and Online Enrollment Services accessible via the Business Customer Gateway (BCG). This environment will allow mailers to test upcoming system functionality on these services before the next software release. The Incentive Programs service offers customers various USPSTM promotions and incentives for business mail, and the Online Enrollment service allows customers to enroll in and manage different USPS shipping products. Both of these services are accessible through the BCG Mailing Services and Shipping Service tabs. Both sessions will include training Incentives Program and Online Enrollment Services.

- May 28 from 11 a.m. to 1 p.m. EST Call-in toll-free number: 1-855-860-7461 (US) Conference Code: 867 502 9985 To view the training, go to: <u>https://uspsmeetings.webex.com/uspsmeetings/j.php?J=748598394</u>
- May 29 from 2 p.m. to 4 p.m. EST Call-in toll-free number: 1-855-860-7461 (US) Conference Code: 867 502 9985 To view the training, go to: <u>https://uspsmeetings.webex.com/uspsmeetings/j.php?J=749059411</u>

### May 22, 2014

Ecdscoop: The U.S. Postal Service is tens of billions of dollars in debt and continues to lose billions despite costcutting measures. And while many point to a significant decline in first class mail and other revenues as the main reason behind USPS' financial woes, the government-backed mail carrier may also be suffering from an identity crisis that is hurting its ability innovate. The question about whether USPS is a federal agency or a business, and the negative impact that uncertainty is increasingly having on USPS' ability to engage private sector businesses in innovative partnerships, was at the heart of a hearing Thursday held by the House Committee on Oversight & Government Reform's Subcommittee on Federal Workforce, U.S. Postal Service and the Census. Billed as an examination into "innovative postal products for the 21st Century," the hearing quickly became more about whether or not USPS is impeding its own progress. - See more at: http://fedscoop.com/is-usps-standing-in-the-way-of-amodern-postal-system/#sthash.tIfS9IRX.dpuf

**Richmond News:** U.S. Senator Claire McCaskill met earlier this week with representatives from the Missouri Rural Letter Carriers Association to discuss their effort to fight for rural post offices and maintain postal delivery standards.

Mailers' Technical Advisory Committee (MTAC) Presentations from the MTAC Open Session held on May 20 are available on the Industry Outreach website on RIBBS. The presentations are located in the Industry Meetings section under 2014 Presentations for MTAC Open Session.



- The House Committee on Oversight and Government Reform passed H.R. This week to begin phasing out door delivery as earlier as 2014. The move from door delivery to centralize or curb delivery was estimated to save the USPS \$2 billion annually. The bill passed by strict party votes.
- The House Subcommittee on Federal Workforce, US Postal Service and Census held a hearing this week, "Examining Innovative Postal Products for the 21st Century," to hear about postal innovations from the Postal Service, the USPS Office of Inspector General, and other users/partners/customers.
- This week, the Postal Regulatory Commission introduced modernized rules to respond to Postal Service requests for Advisory Opinions on major changes to postal services. Under these new rules, the Commission would seek to issue future advisory opinions in 90 days or less while still meeting the requirements of the Administrative Procedure Act. The Commission will balance the expedited review of such requests with opportunities that continue to ensure meaningful public participation.
- USPS Deputy Postmaster General Ron Stroman earlier this week told attendees of the Mailers Technical Advisory Committee (MTAC) meeting that he still believes it is possible that comprehensive postal reform legislation could be passed this Congressional session. He said that the USPS' financial position and inability to make capital investments impacts everyone.
- Megan Brennan, USPS Chief Operating Officer and Executive Vice President, earlier this week told attendees of the Mailers Technical Advisory Committee (MTAC) meeting that preliminary load leveling results are positive. She touched on financial impacts of this past winter storm season, the USPS' 24-hour clock initiative, MTE, flats strategies and the USPS' continuing cost reduction efforts.
- PRC publishes two request for proposals.
- Speaking to the Mailers Technical Advisory Committee (MTAC) for the first time, recently appointed USPS Vice President of Corporate Communications Bill Whitman shared his views on what the Postal Service and McDonald's have in common, as well as his thoughts on his new role.
- The USPS earlier this week at the Mailers Technical Advisory Committee (MTAC) meeting announced a series of changes to come between now and the end of 2014 concerning software updates, labeling list

requirements, IMb Full-Service non-compliance assessments/invoicing, eInduction invoicing, and more. PostCom provides highlights below and additional information will be contained in the upcoming issue of PostCom's Post Ops Update.

- This is a contribution to the PostCom Bulletin by Nancy Pope, the Head Curator of the History Department at the Smithsonian Institution's National Postal Museum. It illustrates quite well that America's experience with effective direct mail campaigning pre-dates the 20th century.
- Banks no longer required to mail annual privacy notices? MTAC's new workgroup. The reinvention of Pitney Bowes. USPS files brief on Full Service IMb and the CPI cap. Speaking for the Postal Service's best customers. Corbett, Leininger, Mayhew on public sector CFOs. Rolando: Lawmakers should fix what they broke, not break what's working.
- An update from the Domestic Mail Manual .
- An update from the USPS Consumer and Industry Affairs
- Announcements on recent reports, projects, and blog entries of the USPS OIG.
- International postal news
- 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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# *⊠***INDUSTRYALERT**

### No Service Type Identifier (STID) Changes Scheduled for July

**2014** PostalOne! Release 38.0.0 originally scheduled for July 2014 has been rescheduled for implementation on September 7, 2014. There will be no STID changes or additions scheduled for Release 38.0.0. A previously posted pre-notice of new STIDs for July has been removed from the Service Type Identifier information page that was accessed through the RIBBS® "Important Updates" Link.

ERadio World: Saying that after a year after negotiations between both sides with no agreement, Senate Judiciary Committee Chairman Vermont Democrat Patrick Leahy pulled his patent reform bill from the markup agenda on Wednesday. "Unfortunately, there has been no agreement on how to combat the scourge of patent trolls on our economy without burdening the companies and universities who rely on the patent system every day to protect their inventions," Leahy said in a statement Wednesday. He wanted bipartisan support for the measure, the Patent Transparency and Improvements Act, and said he didn't see that happening, so Leahy pulled it from the voting agenda. Some lobbyists predict the move means patent reform is all but dead this session of Congress.

Edmonton Journal: Postal union hopes to lick government in fight over home mail delivery.

Federal Business Opportunities: Requests For Proposal Sought For Two Studies:

- The Economics of Terminal Dues -- Solicitation Number: PRC-2014-3 Agency: Postal Regulatory Commission <u>https://www.fbo.gov/index?s=opportunity&mode=form&id=786fb43f0e6ea7fd7a52858f39df7af8&tab=cor</u> e& cview=0
- Study of Postal Service Institutional Cost -- Solicitation Number: PRC-2014-2 Agency: Postal Regulatory Commission <u>https://www.fbo.gov/index?s=opportunity&mode=form&id=adb854c16bd3e65acb07117fb429b1f5&tab=c</u> ore& cview=1

**BBC**: "Why Royal Mail's share price is going down?"

Federal Workforce, US Postal Service and Census Subcommittee: Examining Innovative Postal Products for the 21st Century (<u>A summary of the testimony has been posted on this site</u>. You can see a replay of the actual hearing once it's posted at

http://www.youtube.com/watch?v=rbcfTL27Awk&list=TLliZTF1Qz0Vkxcbw16iddub6lN6rHR6he)

Witness and Testimony Documents

- Mr. James P. Cochrane Chief Information Officer and Executive Vice President U.S. Postal Service
- Mr. David C. Williams Inspector General U.S. Postal Service Office of Inspector General
- <u>Mr. Will Davis Chief Executive Officer Outbox, Inc.</u>
- Mr. Seth Weisberg Chief Legal Officer Stamps.com
- Mr. Patrick Eidemiller Director Engineering and Technology M-pack Systems
  - <u>Mr. Todd Everett Chief Operating Officer Newgistics, Inc.</u>

Postal Technology International:

- E-commerce opportunities take center stage at Post-Expo Asia Pacific 2014
- CollectPlus reveals expansion plans to rival Post Office
- Motorola Solutions equips Spain's Correos with touchscreen technology for deliveries
- <u>TNT Post Italy renamed Nexive</u>
- Canada Post and Tangentia create Canadian shipping solution for online retailers
- FedEx opens new package testing and design lab
- InPost to supply 200 parcel terminals for Italian retailer Carrefour

**The FTSE 100 is down 4 points (0.1%) at 6,818, but is staging a half-hearted rally ahead of the US open, where equities are expected to be similarly mixed. Royal Mail is a big loser, plunging more than 6%, as it posted its first full year results since floating last year. The company warned this morning that without help from the regulator it will struggle to meet its growth targets. The postal service produced profits of £363mln in the year to March, a 19% rise on a year earlier but chief executive Moya Green said it was facing a number of headwinds.** 

BBC Radio 4's World At One, he said: "They have just delivered record profits. Clearly TNT Post are trying to create innovation in the postal market. We are delivering choice for our customers, and that is good for the market overall, as well as creating jobs. "It is very fair. We are an entrant in this market and we will pay Royal Mail, for the areas we don't cover, a very fair and reflective price. Royal Mail should stop this sabre-rattling. We have a small market share, there is absolutely no threat to the universal service."

**Wall Street Journal:** States are rewriting their laws to make it more difficult for so-called "patent trolls" to pursue small businesses over questionable patent claims. At issue are patent claims made by companies that don't produce any goods or services, but instead purchase patents and then seek profit from them. These firms typically send so-called demand letters to companies seeking royalties and threatening legal action for patent infringement. Roughly half of the companies targeted by these patent claims said they had revenue under \$10 million, or are believed to be that small, estimates RPX Corp., a provider of risk management solutions. The total number of lawsuits alleging

patent claims rose 12.4% to 6,092 in 2013, according to Lex Machina, a legal analytics company.

American Postal Workers Union: "Today's bill represents a new strategy," Dimondstein said. "Issa has now decided to eat the USPS one bite at a time." Postal unions are united in opposition

to the bill. "We stand in solidarity against any efforts to privatize the Postal Service, diminish service to our customers, or weaken workers' rights," Dimondstein said.

Direct Marketing News: Thursday at 9 a.m. a House subcommittee will meet to discuss "Innovative Postal Products for the 21st Century." But, in so doing, it may sow the seeds of bipartisan postal reform in Congress. Issa, who had earlier attempted a compromise based on a proposal from the Obama administration, eagerly affirmed he would. "What I suggest is that we complete today's work and then use the president's budget as a tool to start up a discussion [on a bipartisan reform bill.]," Issa responded. "That's the best place to start, because we know the administration supports it and that could lead to Senate support." So tomorrow's scheduled subcommittee hearing to examine private sector ideas to invigorate the Postal Service now potentially turns into an incubator to re-invigorate postal reform and, dare it be said, bipartisan lawmaking. "What really is at stake here is the future viability of the U.S. Postal Service and both sides are going to have to give in some to preserve the one service that all Americans appreciate," Clay added. "We have to grow up and see that both sides have to give, or you'll begin to see the collapse of the USPS and it will be on all of us." "Nobody," Issa concluded, "could have said it better."

**Post & Parcel**: The Oversight Committee of the US House of Representatives approved a bill yesterday that would end doorstep delivery for about 15m households in the United States in the next decade. The move, which would echo the strategy already being implemented across the border in Canada, could save the US Postal Service about \$2bn in operating costs each year according to the Republicans who control the House. It would require those homes receiving mail at the doorstep to have items delivered either to a roadside mailbox or a community mailbox. The Secure Delivery for America Act (H.R. 4670) was passed by the committee along party lines yesterday, and now requires a vote by the full House of Representatives.

Evening Times: An Ofcom spokesman said: "We do not believe that there is presently a threat to the financial sustainability of the universal postal service. "Ofcom keeps the market under constant close review, examining the future business plans of major operators. We have a duty to secure the Universal Service, and if we identify any future threat we have powers to step in to protect it. "We would expect Royal Mail to take appropriate steps to respond to the challenge posed by competition, including improving efficiency."

Free Radio: Royal Mail has reported an operating profit of £430m in its first full-year results since privatisation. The figure for the 12 months to March, after transformation costs, is up from £403m in the previous year – a rise of 6.7%. But the company warns it is facing a number of "headwinds" including increasing competition in parcels. The Royal Mail also warned a move to direct delivery of letters by rivals TNT Post could threaten the financial sustainability of the universal service without action by the regulator Ofcom. The company is legally obliged to deliver to every address in the country for a single price, and it warns the TNT plans could lose the firm £200m.

Office of the Inspector General: Audit Report -- Timely Processing of Mail at the Boston, MA, Processing and Distribution Center. "The Boston P&DC did not always process mail on time. The Boston P&DC had about 28 million delayed mailpieces in FY 2014, Q1, representing a 56 percent increase in delayed mail compared to the same period last year. Similarly sized facilities averaged about 8 million delayed mailpieces during the same period. The majority of delayed mail was due to implementation errors associated with the Middlesex Essex P&DC consolidation. These errors included failure to update the Boston P&DC operating plan, acquire additional handling equipment, properly schedule employees, enforce proper color coding of mail, and properly supervise mail flow. Consequently, service scores in Boston declined and the percentage of carriers reporting back after 5 p.m. increased by 25 percent during FY 2014, Q1. We estimate that \$534,141 of Postal Service revenue is at risk as a result of these errors."

DMM Advisory: No STID Changes Scheduled for July 2014. PostalOne®! Release 38.0.0, originally scheduled for July 2014, has been rescheduled for implementation on September 7, 2014. Therefore, there will be no Service Type Identifier (STID) changes or additions scheduled for July. A previously posted pre-notice of new STIDs for July has been removed from the Service Type Identifier information page that was accessed through the RIBBS® "Important Updates" link.

**Digital Journal:** United Parcel Service (UPS) and FedEx Ground are major competitors in the U.S. package delivery service. UPS' iconic brown and FedEx Ground's navy blue uniforms are familiar to millions of people. For the delivery drivers, differences between the companies go much further than the color of the uniform. UPS considers its delivery drivers to be employees, according to an article by David Bensman, a professor of labor

studies and employment relations at Rutgers University. As employees, UPS drivers are eligible for benefits and rights commonly given to workers in the U.S., including workers' compensation. FedEx Ground's 27,000 workers are generally classified as independent workers, Bensman reports. Because of this, the company is not required to provide benefits to these employees or follow certain labor laws. The classification means that FedEx Ground delivery drivers may not be eligible for workers' compensation benefits if they are injured. How can similar workers at similar companies be classified so differently? The answer has to do with the complex laws that govern worker classification in the U.S. and a rising trend of hiring contractors, or contingent workers, rather than employees.



National Association of Letter Carriers: Fredric V. Rolando, president of the National Association of Letter Carriers -- "This legislation entirely misses the point --- 100 percent of USPS "losses" stem directly from the congressional mandate that the Postal Service, alone among all public agencies and private companies, pre-fund future retiree health benefits for decades into the future. Lawmakers should

fix what they broke, not break what's working. We will work with members on both sides of the aisle to craft a bill that would help maintain and strengthen the Postal Service, which is based in the Constitution and provides Americans with the world's most affordable delivery network without a dime of taxpayer money."

### May 21, 2014

Government Executive: A House committee on Wednesday passed a piecemeal provision of U.S. Postal Service reform, voting along party lines to phase out to-the-door delivery in favor of centralized and curbside drop offs. House Oversight and Government Reform Committee Chairman Darrell Issa, R-Calif., introduced the Secure Delivery for America Act earlier this week in an effort to find immediate cost savings for the Postal Service while Congress continues to debate a larger overhaul. Issa estimated the measure would save USPS more than \$2 billion annually. Democrats opposed the measure, repeating the claim they have made throughout the series of postal hearings and markups this Congress that USPS "cannot cut its way to profitability." Issa acknowledged some households may never be ripe for conversion, but defended the fee for delivery as a revenue opportunity for the cash-strapped Postal Service. The Democrats attempted to attach union-backed amendments to the bill, such as guaranteed six-day mail delivery and a return of the surplus payments made to the Federal Employees Retirement

System, but they were defeated.

### At the Postal Regulatory Commission:

Study On USPS Money Transfer Services For The Unbanked Prepared by Joy Leong Consulting, LLC for Postal Regulatory Commission Washington, DC PRC109909-10-Q-0021 Report | Slides

**DMM Advisory:** Training for Mailers – Incentive Programs Services and Online Enrollment Services A training session will be provided to familiarize existing mailers with the new Pre-Production environment for the Incentive Programs and Online Enrollment Services accessible via the Business Customer Gateway (BCG). This environment will allow mailers to test upcoming system functionality on these services before the next software release. The Incentive Programs service offers customers various USPSTM promotions and incentives for business mail, and the Online Enrollment service allows customers to enroll in and manage different USPS shipping products. Both of these services are accessible through the BCG Mailing Services and Shipping Service tabs.

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- May 29 from 2 p.m. to 4 p.m. EST Call-in toll-free number: 1-855-860-7461 (US) Conference Code: 867

502 9985 To view the training, go to:

https://uspsmeetings.webex.com/uspsmeetings/j.php?J=749059411

# **INDUSTRYALERT**

Sharing of Mailing Industry Information about Abusive Patent

Litigation Like many businesses in America today, the Postal Service is very concerned about the burgeoning costs of patent litigation. The defense of a patent litigation matter can be extremely expensive, regardless of whether the

case has any merit. Particularly troubling in this regard is the **litigation brought by so-called "patent trolls."** Patent trolls are typically companies that obtain vague or loosely described patents without any intent to manufacture, utilize, or sell the underlying invention. Instead, they are in the business of making money by extorting licensing fees from alleged infringers of their patents by threating litigation which their targets know will be timeconsuming and expensive to defeat. Due to the costs of fighting such suits, companies often settle and pay a nuisance licensing fee even when a company could mount a meritorious defense to the infringement claim. This conduct subverts the patent system and retards technological progress and innovation. Recently, a wide range of companies in the mailing industry, who are customers of the Postal Service, have asserted to us that they have been targeted by a non-practicing entity, a type of patent troll, with patent infringement lawsuits pertaining to the functionality of a barcode on their mail. The Postal Service is very interesting in knowing how the practice of patent litigation, or threatened litigation, is impacting your business. To help us understand the extent of the problem, we **are requesting business mailers let us know the following**:

# \* Are you currently in any patent infringement lawsuits pertaining to the functionality of a barcode on your mail or similar allegations?

\* Have you been threatened with such litigation?

Please send your information to industryfeedback@usps.gov.

The Washington Times: Boston residents may have to wait a little longer for their mail after an investigation showed the city's Postal Service processing and distribution center saw a 56 percent increase in the amount of delayed mail within a single year. In just the first three months of fiscal year 2014, the Boston center delayed delivery of 28 million pieces of mail – far above the average 8 million for similar sized facilities, according to the Postal Service's Inspector General. Most were standard mail, but some 1.4 million delayed pieces were sent first class, for which customers pay extra to ensure quicker delivery. "Consequently, service scores in Boston declined and the percentage of carriers reporting back after 5 p.m. increased," the IG added. Officials at the processing plant said they have changed the way the flow of work is structured and improved training for employees. They told the inspector general they believe they're getting the situation under control.

The Republic: The House Committee on Oversight and Government Reform debated Wednesday a bill to direct the U.S. Postal Service to convert 1.5 million addresses annually over the next decade to the less costly but less convenient delivery method. It's far short of the comprehensive reform needed to solve the agency's financial problems, but Republican committee chairman Darrell Issa of California says it's a common-sense, interim measure to save money.

When the House Committee on Oversight and Government Reform has approved H.R. 4670 along a party-line vote. Recording of the Hearing

In <u>a letter to the Chairman of the House Committee on</u> <u>Oversight and Government Reform</u>, the President of the Association for Postal Commerce wrote:

> "We have reviewed your proposed bill H.R. 4670 and have concluded that this measure deserves the mailing industry's full support. It is crafted in a way that holds the promise to improve the cost-efficiency of the nation's mail service, while continuing to ensure its universal reach with no change in frequency of mail delivery. The measure does not impose on the Postal Service burdensome costs either on itself or its customers. Nor is it encumbered with any other objectionable provisions concerning postal rates.

> "Comprehensive postal reform has proven to be a tough row to hoe. Addressing reform in more palatable bits and bites might prove a more successful way to enact reform measures that are *needed* to ensure the preservation of a cost-efficient, universal



mail service without the encumbrances so often associated with the many wants (unaffordable as they may be) that are often the focus of others."

**WLS**: The I-Team is tracking slow and unreliable mail service and putting the U.S. Postal Service to the test. There's now new evidence that the problem is growing. ABC7 Consumer Investigative Reporter Jason Knowles got an inside look at the local postal nerve center and what's being done to speed things up.

The Standard: Royal Mail is to start regular Sunday deliveries to homes for the first time in its 498-year history. In a historic move the privatised group will begin delivering parcels on the Sabbath from this summer. A trial will initially focus on addresses within the M25 only but could be expanded nationally if it is a success. The new Sunday service will only cover packages ordered from retailers over the internet and will not include letters or parcels sent through the normal postal service.

House Committee on Oversight and Government Reform: House Oversight and Government Reform Committee Chairman Darrell Issa, R-Calif., announced the mark up of H.R. 4670, the Secure Delivery for America (SDA) Act, which allows the postal service to provide millions more Americans with secure clusterbox and curbside delivery. The Committee will consider the bill, cosponsored by Subcommittee on Postal Service Chairman Blake Farenthold (R-TX), on Wednesday May 21, 2014, at 9:30 am in Rayburn 2154. On the announcement of tomorrow's mark up, Issa said: "While the Secure Delivery for America Act will not replace a comprehensive overhaul that the United States Postal Services requires to become financially solvent, it provides an interim opportunity to achieve some significant cost savings. Modest moves away from door delivery to secure clusterbox and curbside delivery would save the Postal Service billions while offering customers new benefits." "Allowing the Postal Service to shift to clusterbox or curbside delivery will reduce costs, increase efficiency and help ensure secure package delivery for customers," said Subcommittee Chairman Farenthold. "Our measure is a cost-saving approach to modernizing mail delivery that won't impact the elderly or those with a physical handicap who rely on door-to-door delivery of their mail. This is just one common-sense solution that will move us towards a financially sound 21st century Postal Service that meets the needs of America." [EdNote: This is a measure that promises to provide the Postal Service with sorely needed economies without threatening the universality, the quality, and the frequency of mail delivery. Nor should it have an adverse effect on postal rates. In other words....no baked in exigency....nothing greater than the CPI cap.]

Phys.org: Is it a harmless parcel or a bomb, an innocent letter or a drug shipment? A new terahertz scanner is capable of detecting illicit drugs and explosives sent by post without having to open suspicious packages or envelopes. Why did the scientists choose to use terahertz waves for this application? Professor René Beigang explains: "The terahertz range lies midway between microwave and infrared in the electromagnetic spectrum, and thus combines the advantages of both." Like microwaves, these low-energy frequencies can easily penetrate paper, wood, lightweight fabrics, plastics, and ceramics. Moreover, terahertz waves generate characteristic spectra depending on the type of material they travel through, which can be analyzed quickly using intelligent software. A further significant advantage is that terahertz waves are non-ionizing and therefore safe to use in an unprotected environment, unlike X-rays. This makes the technology an interesting option for use in mail scanners.

Boston Globe: The announcement last year drew little notice: The long-troubled United States Postal Service was teaming up with equally distressed retailer Staples Inc. to offer mail services in 82 of its office supply stores. Initially pitched as a modest public-private partnership, the deal has blown up into a major confrontation between the Postal Service and its main union. The postal workers contend the Staples deal amounts to privatization of a basic government function, and they have run protests outside the company's stores. The Postal Service tried a similar deal more than 20 years ago with Sears. That time, the postal workers union waged a successful campaign against the retailer, picketing Sears headquarters in Chicago and organizing a boycott of stores. A year into the partnership, Sears pulled out. Liang Feng, an analyst at Morningstar, said that if the pressure on Staples continues to mount, the company will probably pull out of the deal to avoid becoming embroiled in a controversy. "It's hard to tell if these protests will gain traction," Feng said. "If there really is national outrage, Staples will go and tell the Post Office that this isn't what they had in mind."

Direct Marketing News: News Mail Service's most important customers? With First Class Mail volume plummeting, the Post Office must depend on Standard Mail and direct mailers for cash flow. Long-time Washington hand Joe Schick, director of postal affairs at Quad/Graphics, discusses why it's of the utmost importance for bulk mailers to bring their influence to bear in Washington. <u>mp3</u>

**Bloomberg Businessweek:** I Joseph Corbett, chief financial officer of the United States Postal Service, David Leininger, chief financial officer of Dallas Area Rapid Transit, and Brian Mayhew, chief financial officer of the Metropolitan Transportation Commission, talk about leading public sector companies. Bloomberg's Esmé E. Deprez moderates the panel at the Bloomberg Link CFO Conference in New York.

### May 20, 2014



<u>National Association of Letter Carriers</u>: NALC urges committee to vote 'no' on phase-out of door delivery: Tomorrow morning, the House Oversight and Government Reform Committee <u>is scheduled to</u> <u>mark up yet another postal bill</u>. "Rather than addressing the unreasonable financial mandates that Congress has imposed on the Postal Service, the committee is once again considering a bill that calls for

unnecessary and counter-productive service reductions," he said. "On May 21, OGR should take into account the Postal Service's recent recovery and reject the Secure Delivery for America Act." <u>Click here to read Rolando's full</u> <u>statement</u>. ACT NOW: Call the Capitol Switchboard at 202-224-3121, ask to be connected to your House member, then let your representative know you oppose the "Secure Delivery for America Act."



<u>Statement of NAPS President Louis M. Atkins On the Proposal of Rep. Darrell Issa to End Door Delivery</u> <u>of Mail:</u> "The managers, postmasters and supervisors who comprise the membership of the National Association of Postal Supervisors (NAPS) manage the vast majority of the 160 million daily deliveries to homes and businesses across the country, six days a week. They know the financial costs and physical

challenges of bringing mail to the customer's door; they also understand the benefits of door delivery and what it means to customers and their loyalty to the Postal Service. That is why NAPS opposes the proposal of Rep. Darrell Issa to fundamentally change the way mail is delivered to many Americans. There is wide consensus that comprehensive postal reform requires, first and foremost, realigning the retiree health prefunding payments schedule, which has been a massive burden upon the finances of the Postal Service. Rep. Issa's proposal does nothing to address that burden. Moreover, Rep. Issa's proposal heads in the wrong direction; it provides no funding for the Postal Service's purchase and installation of hundreds of thousands of curbside and centralized delivery boxes, nor the funding to provide for right-of-way placement of those boxes. These up-front costs will only drag down the Postal Service's finances further. At the current time, all new residential development construction provides for the installation of centralized mail delivery, and there are voluntary provisions for the conversion of door and curb delivery to centralized delivery. This should remain the governing approach until Congress musters the will to undertake comprehensive postal reform."

**KPLR**: Congressman Lacy Clay announced Tuesday that his 9th annual Career Fair will be held on June 2nd at Harris-Stow University. The fair will feature over 100 businesses and companies looking to hire people for all sectors of the economy. Among St. Louis companies to be at the career fair are: Ameren, Boeing, Express Scripts, BJC Healthcare Systems, World Wide Technology, Clear Channel Communications, CBS Radio, Emmis Communications, Charter Communications, Centene Corporation, Wells Fargo Advisors, Lodging Hospitality Management, Lumiere Place, Hollywood Casino, PNC Bank, and U.S. Postal Service.

**CNN** Money: Staples shares plunged more than 10% following a disappointing earnings report Tuesday. "When you're trying to take a company the size of Staples, which had a very strong retail legacy and move it into more of an online company, there's going to be a lot of changes and it's going to be hard to predict exactly when you can get back to historical margins," said CEO Ron Sargent during a conference call following the earnings report. Sargent noted that the number of customers visiting its stores fell slightly, but that online sales were up 6%. But investors appear to be losing confidence in the turnaround strategy. The number of shares borrowed and held short, a sign that investors think the stock will go down, has doubled over the course of the year. And that's been a smart bet. Staples has lost more than a quarter of its market value this year.

**Practical eCommerce**: If you are looking to save money on shipping, start with a call to your UPS or FedEx representative. Speak with her about UPS SurePost or FedEx SmartPost. These services are consolidated delivery services, which utilize the extensive logistics of UPS and FedEx, while relying on the U.S. Postal Service to provide final delivery to your customer. SurePost and SmartPost are available to businesses that ship at least 50 packages per week. In my ecommerce business, I found this volume requirement easy to meet by shifting from USPS Parcel Post and Priority Mail to UPS SurePost. As I explain in the "Pros" section below, shifting USPS packages to UPS or FedEx will increase your average spend with those companies and contribute to decreasing your negotiated rates. Why would you want a consolidated delivery service? In my experience, here are the pros and cons.

**E**GCN: Data is the raw material with which investigators deal. The challenge for them often is not so much getting data-there is more of it being produced and stored by government today than ever before-but making sense of it. The inspector general's office at the U.S. Postal Service has developed its own system to analyze data and visualize results, identifying high-value targets for potential fraud investigations. The core of the Risk Assessment Data Repository (RADR) is a suite of models that merge data from a variety of sources and score it on the likelihood of fraud. The resulting hotspots are displayed on a geographic interface. Armed with this analysis, examiners can proactively launch investigations rather than waiting to receive reports of wrongdoing. The concept is not new. OIG investigators have been analyzing data on Excel spreadsheets for years. What RADR brings to the game are the data models that automate analysis for specific types of fraud and display results, letting investigators drill down for details where suspicious trends are shown, said Bryan Jones, deputy assistant inspector general for analytics. "Once you have the data and have modeled it, if you ask a different question of it you get a different answer," Jones said. "We ask a lot of different questions depending on what we're looking for." The results of the system are positive, Jones said, but not easy to quantify. Most of the return on investment comes in cost avoidance. "When the investigators use our tools it takes them fewer hours to work a case," he said. And early detection can reduce the amount of fraud. There also are concrete returns in the form of recovery of funds. The analytics tool lets investigators prioritize high-value cases so that the average amount of money recovered on a case now is about \$1 million. Overall, RADR more than pays for itself each year, Jones said.

# **At the Postal Regulatory Commission**:

• <u>Docket No. RM2012-4</u> Order Adopting Amended Rules Of Procedure For Nature Of Service Proceedings Under 39 U.S.C. 3661

http://www.prc.gov/docs/89/89789/Order\_2080.docx http://www.prc.gov/docs/89/89789/Order\_2080.pdf

"Today the Postal Regulatory Commission introduced modernized rules to respond to Postal Service requests for Advisory Opinions on major changes to postal services. Under these new rules, the Commission would seek to issue future advisory opinions in 90 days or less while still meeting the requirements of the Administrative Procedure Act. The Commission will balance the expedited review of such requests with opportunities that continue to ensure meaningful public participation."

 Revenue, Pieces, and Weight (RPW) for Quarter 2, Fiscal Year 2014 - Mailing Services (Market Dominant Products) and Shipping Services (Competitive Products) Compared with Corresponding Period of FY 2013, Public Report <u>http://www.prc.gov/docs/89/89787/Fy2014Q2\_RPWsummaryreport\_public.xls</u> <u>http://www.prc.gov/docs/89/89787/Letter RPW\_02FY14\_20140520143349.pdf</u>

Papers from the CRRI conference:

 Time Delayed and Date Certain Mail, by Michael J. Ravnitzky. Presented at the Rutgers Univ. Center for Research in Regulatory Industries Eastern Conference, Shawnee on Delaware, Pennsylvania, May 14-16, 2014.
 PAPER <u>http://www.prc.gov/prc-docs/library/refdesk/techpapers/Time%20Delay%20Mail\_3598.pdf</u>
 POWERPOINT PRESENTATION <u>http://www.prc.gov/prc-docs/library/refdesk/techpapers/Time Delay</u>
 Presentation\_3602.ppt Postal Price Cap Regulation: U.S. Experience Since 2006, by Michael J. Ravnitzky Presented at the Rutgers Univ. Center for Research in Regulatory Industries Eastern Conference, Shawnee on Delaware, Pennsylvania, May 14-16, 2014.
 PAPER <u>http://www.prc.gov/prc-docs/library/refdesk/techpapers/Postal%20Price%20Cap%20Regulation\_3609.pdf</u>
 PRESENTATION SLIDES <u>http://www.prc.gov/prc-docs/library/refdesk/techpapers/Price Cap</u>
 Presentation\_3604.pdf

**City Lab**: When they're not delivering mail or being bitten by dogs, U.S. Postal Service workers serve a third function: They collect property data on virtually every address in the nation. This service might be the postal worker's highest calling.

In The United States Court Of Appeals For The District Of Columbia Circuit--Brief Of The United States <u>Postal Service</u>: "First, by construing the Postal Service's mail-preparation change to be a 'change in rates' subject to the price cap, the PRC prevented the Postal Service from simultaneously changing the mail-preparation requirement under its own regulatory authority and making the rate adjustments it is permitted to make under a correct reading of the price cap. If this Court were to reverse the conclusion of the PRC that the mail-preparation requirement is a "rate adjustment" subject to the PAEA's price cap, the Postal Service will reinstate the requirement that mailpieces use 'Full-Service' Intelligent Mail barcodes rather than 'basic' Intelligent Mail barcodes to be entitled to 'Automation' rates for the applicable product."

**<u>Post & Parcel</u>**: Royal Mail hit its delivery targets in its latest financial year, some of the toughest standards for any postal operator in Europe.

Office of the Inspector General: **Big Data** — **The Next Big Postal Thing?** If you are even remotely digitally hip, you probably know that "big data" is a hot topic. But it is far from a mere fad. Big data — which refers to large, complex datasets combined with sophisticated, powerful analytics — has definitely been having a big impact on not just scientific research capabilities, but commercial activity as well. Amazon, Walmart, and eBay are just a few businesses using big data to better target products and services to consumers.

The Guardian: Venezuela's postal service has indefinitely suspended international mail deliveries, citing a collapse in the distribution system due to "excessive demand". Employees at the state-run company Ipostel told local media that the service had fallen victim to an ongoing dispute with international airlines over currency controls.

**El Universal**: Workers reportedly stopped operations to reject the suspension of shipping services abroad, a situation that has ignited fears about the future of the company's staff.

**Fibre2Fashion**: Hamburg-based secondary research organization yStats.com has released a new report: "Europe B2C E-Commerce Delivery 2014". One of the interesting findings of the research is that consumers in this region want low cost and convenience, while online sellers are working on improving the speed of delivery. Online shoppers in Europe value free shipping. Free delivery for future purchases was expected almost two thirds of online shoppers in Germany, Switzerland and Austria. In those Central European nations the online retailers focused their efforts on timely delivery. Same day delivery is becoming thestandard for online merchants in Germany, even though consumers would prefer free delivery within two or three days. High delivery cost was among the main reason for abandoning an online shopping cart in Germany.

**E**<u>eCommerceBytes</u>: eBay customer service reps are faulting sellers for using the U.S. Postal Service when shipments go awry. That's what readers have been reporting in emails to EcommerceBytes over the past few weeks. With eBay's new defect rate breathing down their necks, sellers are calling eBay to ask why it will penalize them for late deliveries or missing packages, which are outside their control - and eBay is placing the blame directly on sellers for using the USPS. Here are a few examples....



House Committee on Oversight and Government Reform: <u>Examining Innovative Postal Products for the 21st</u> <u>Century</u> Federal Workforce, US Postal Service and Census Subcommittee

### May 22, 2014 | 9:00 a.m. in 2154 Rayburn House Office Building.

The Chief: The Postal Service must share with one of the unions information about work it's outsourced to private companies, the National Labor Relations Board ruled April 30. The American Postal Workers Union is seeking details on a pilot program in the Midwest outsourcing to the United Parcel Service the processing of irregular packages. The USPS claimed that pilot programs are exempt from the union contract requiring disclosure.

Nyasa Times: The Western Union Company a leader in global payment services, and the Malawi Posts Corporation (MPC), provider of postal and financial services in Malawi, on Monday signed of an agreement to provide – for the first time – Western Union money transfer services to customers across their 120 MPC network.

#### May 19, 2014

The Baltic Course: The Communications Regulatory Authority (RRT) has rejected Lithuania Post proposal to change the highest tariffs of universal postal service, informs LETA/ELTA. According to RRT, the proposal has not been sufficiently motivated and based on expenditure, thus currently RRT has no grounds to change the approved tariffs for postal customers. "Moreover, because the EU and national legislation deems universal postal service as a substantial communications and information exchange means, it is crucial to assess what effect tariff changes would have for the end user. This means that the increase of final price might have significant impact on accessibility of universal postal service. RRT evaluated a proposal made by Lithuania Post and found that final price for users of postal services might grow from two to thirteen times," the authority said. RRT has informed Lithuania Post that the current proposal is not substantiated by expenditure and additional information has to be provided.

**Post & Parcel**: Singapore Post achieved a 24.6% growth in its revenue in its latest financial year on the backs of acquisitions and the soaring popularity of e-commerce. The company said its full year results jumped from \$\$658.8m (\$527m USD) to \$\$21.1m (\$657m USD) in the 12 months up to the end of March. The Group's organic revenue growth, excluding the impact of new subsidiaries, was 3% year-on-year.

South Coast Today: Mayor Jon Mitchell and the city's congressional delegation have written separate letters urging the United States Postal Service not to close and relocate the downtown post office. Mitchell submitted a letter and a petition signed by more than 200 city residents opposing the move of the post office, an historic 1915 Classical Revival, light-granite building, named for retired U.S. District Court Judge George Leighton. "I believe the move is unwise, short-sighted, and potentially disruptive to the strong resurgence of activity that New Bedford's downtown has enjoyed over the past several years," the mayor wrote in his letter. In another letter from Sen. Elizabeth Warren, Sen. Edward Markey and Rep. William Keating, all Massachusetts Democrats, they too urged the U.S. Postal Service to reconsider.

The Wall Street Journal: The enslaving email culture is becoming increasingly problematic. High-skilled knowledge workers now spend 28% of their time at work dealing with email. Employees speak of being fearful opening emails and feeling increasingly helpless in the face of the deluge. Physiologically we now know that the state of continuous disruption puts us into a constant state of hormone-induced stress. Email is having an increasingly pernicious effect. Not only is it having a perceptible effect on productivity, it's skewing what it is we focus on. The immediate increasingly crowds out the important. [EdNote: Lick a stamp. It could be good for your health.]

The Star: "Kenya: Postal Services Battle to Contain Digital Rise"

Federal News Radio: From the 10 Top Ten Federal News Radio Stories of 2011 -- "Postmaster General Patrick Donahoe (pictured) warned a Senate committee in May that the Postal Service would default on its payments to pre-fund retiree health care accounts. Congress ended up extending the deadline for USPS to make the payment, but the Postal Service still faces financial woes that Donahoe said could not be remedied in any of the legislation in Congress. The Postal Service lost \$5.1 billion in fiscal 2011 (May 18, 2011)" [EdNote: Man, this is pathetic. Four years....and Congress still sits on its thumbs.] Arkansas Business: The fight is escalating to deliver packages within hours after an order is placed online. Wal-Mart Stores Inc. of Bentonville and Amazon.com Inc. of Seattle recently expanded their pilot programs to offer same-day service to customers in select cities. Both companies in some cases are using their own trucks and drivers to deliver the items, which can range from groceries to televisions. Wal-Mart started its program in 2011 in San Francisco and San Jose, California. In October it added Denver to the test program. In January Wal-Mart also began offering Denver customers the option of picking up their online orders at a Walmart store without leaving their cars, said Ravi Jariwala, a spokesman for Wal-Mart.

**KUAM**: The Guam Power Authority has received a phenomenal response from thousands of customers who were affected by the US Postal Service mail mishap. Last month GPA sent out notification letters to customers asking that they update their account information. According to acting GPA utility service administrator Richard Bersamin customer service has been inundated with literally thousands of account information updates ranging from USPS mailing addresses, email address and phone number changes. He added they are updating as fast as GPA reps can enter them into their system.

The Citizen: A small post office depot is chock -a-block with thousands of letters, many of which may have gone undelivered for two years, according to a source at the Post Office. The Post Office last week ordered an internal investigation after an employee at the affected branch blew the whistle. "The mail has been sitting there since 2012, we don't have space to move," the whistleblower is reported to have said.

Belfast Telegraph: A Fermanagh postal service entrepreneur has set his sights on the export market after winning a €100,000 (£81,400) investment from Irish television's business reality show Dragons' Den. Director Colm Courtney said his firm Hybrid Mail Solutions, based in Lisnaskea, can cut the cost of sending post from Northern Ireland to the Republic by 30%. The company circumvents the international postal levies imposed on mail destined for the Republic of Ireland, slashing the average 96p cost per letter to just 60p. It provides companies' letterheads, prints the letters and posts them from within the Republic, doing away with the circuitous journey of post from Belfast to Dublin first passing though Britain.

Post & Parcel: Finland's national postal service Itella will run a three-month trial this autumn, delivering highvolume business mail four days per week instead of five. The company said newspapers and parcels will continue to be delivered five days per week, as will any mail defined legally as part of the universal postal service — letters sent by individuals and small businesses using retail stamps. Itella said it was cutting its services because of the continuing steep decline in traditional mail volumes it is facing, which has accelerated in the last four years and has been running in the double digits this year compared to last.

**Providence Journal:** Casual observers may be excused for regarding the U.S. Postal Service as a basket case. But if they looked closer, they'd see there's life in the post office yet. And there are levers that can be pulled to restore some of its vigor. Let's start with that loss. It's a big number — almost \$5 billion last year. The Postal Service, indeed, is strapped for cash. But the biggest cause of its problems is not entirely of its own making. The heavy burden was, instead, imposed by Congress. It's the prepaid benefits mandate. Take away that prepaid benefits mandate and the Postal Service currently runs an operational profit. Its revenues rose last year to \$67.3 billion. And its revenues come from customers, not taxpayers. It's a healthier economic engine than most people think.

EcommerceBytes: Like most large tech firms, eBay has a Government Relations team to represent its interests, but what makes eBay different from many other firms is its millions of small-business customers who are impacted by policies and regulations. This week, the GR team sent a survey to users to learn more about the challenges they face and how they feel about legislative issues. The survey covered a range of topics, starting with postal reform. "Do you currently use the United States Postal Service (USPS) as one of your primary carriers," eBay asked. It then asked which proposed reform to the USPS was most important to them: Postal Pricing - Guard against rate increases; Six Day Delivery - Maintain Saturday delivery; Facility Closures - Require the USPS to consider other options first; or Other. eBay then asked about international and cross-border trade. "If you own or operate a small business, are any of your sales made to customers located outside of the United States," it asked, then asking sellers approximately what percentage of their sales were made to international customers. The next topic was patents, with eBay asking recipients if they held or had ever held any patents, and then asking, "Have you ever been contacted by

a person or company asserting that you are infringing a patent in an attempt to collect licensing fees (i.e. patent assertion entity)? If yes, please describe the incident and outcome."

**Forbes**: FedEx Corp.'s recent decision to incorporate package size in the pricing of its ground service will result in a significant boost in shipping costs – but it could also open up competitive opportunities for the U.S. Postal Service. The move, which mirrors the way in which FedEx prices its expedited services, will reportedly affect a third of the company's ground shipments. The price of moving a box with 12-inch sides in a short zone, for example, will rise by about 30 percent. In addition, the FedEx move could accelerate Amazon's reported plan to launch its own fleet of trucks and drivers for local deliveries.

**Daily Mail: Royal Mail is set to announce a slowdown in its parcels business** at its maiden set of full-year results since privatisation. The postal business had hoped that the growth of parcel deliveries, spurred on by an increasing demand for internet shopping, would balance out the falling number of letters sent. The group's revenues are expected to rise from £9.15bn to £9.44bn over the year, according to a consensus of analyst forecasts. The number of letters sent is expected to fall by between 4 per cent and 6 per cent.

### May 18, 2014

The Telegraph: The row over the valuation the Government received for its stake in Royal Mail will be reignited this week when the postal service delivers its maiden profits as a public company.

### May 17, 2014

Financial Times: Ministers bruised by the squabble over the Royal Mail privatisation appear in no hurry to start selling the state's remaining 30 per cent stake as the postal operator prepares to announce steady earnings growth next week. Analysts expect Royal Mail to report on Thursday full-year operating profits of between £617m and £698m before transformation costs for the year to March – up from £598m last year. The 180-day lock-in period, which prevented the government from selling more shares after last October's flotation, has expired. But ministers have no plans for further sales. An early sale would enable taxpayers to benefit from the rise in Royal Mail shares from the 330p flotation price to the current 571p. At that level, the government's stake is worth £1.7bn – up £700m.

Hartford Courant: ShopSmart compared shipping a 6-pound medium-sized box from New York to San Francisco using FedEx, the United Parcel Service and the U.S. Postal Service. It checked standard and express delivery times. The cheapest option: the Postal Service's two-day Priority Mail Service, using its free flat-rate box (for up to 70 pounds). It was \$40 less than the competition for the same two-day delivery. The Postal Service was also the cheapest option in other scenarios ShopSmart tried.

**Barron's**: Pitney Bowes sells mail machines, a business that's supposed to be in rapid decline. Yet, its shares have soared from \$11 to \$26 since IBM alum Marc Lautenbach joined as chief executive in December 2012. That's a bigger percentage rise than Facebook stock over the same stretch. What in the name of Cliff Clavin is going on? Three things: First, if mail is dying, it's certainly taking its time. The U.S. Postal Service reported a 1.2% rise in adjusted operating revenue on a 0.9% dip in volume in its most recent fiscal year. Pitney's postal businesses were nearly flat in its most recent quarter, and they remain hugely profitable. Second, revenues are soaring in the company's nonpostal businesses, where it offers high-tech services like location-pinpointing for social-media users. Third, Pitney has been cutting costs, ramping up cash flow, and paying down debt. All have helped lure investors back to its shares, which still look cheap. They could have 60% upside over the next three years.

Ballard Spahr: The Consumer Financial Protection Bureau recently published a proposed rule that would amend Regulation P to allow financial institutions, under certain circumstances, to deliver annual privacy notices to their customers using an alternative online method of delivery. Under the Gramm-Leach-Bliley Act (GLBA), financial institutions must provide initial and annual privacy notices that inform customers about the sharing of their nonpublic personal information (NPPI) with third parties. Financial institutions have typically mailed these notices, but the proposed rule could enable some institutions to save on mailing costs by posting the annual privacy notice in a clear and conspicuous manner on their websites and directing customers to the notice via a statement message or other communication at least once annually. Both depository and nondepository financial institutions should carefully consider the extent to which they can benefit from the proposed rule, although certain entities, such as auto dealers that are regulated by the Federal Trade Commission, would not be directly affected.

This Day: The Minister of Communication Technology, Mrs Omobola Johnson, Friday tasked members of the West African Postal Union to evolve the application of digital communications technology in its operations for efficiency. She also charged them to fashion out responses for improving the quality of postal services both domestically and internationally, adding that postal services must be diversified through the modernisation of existing products or the introduction of new products. The Minister who made the disclosure in a key note address at the opening ceremony of the West African Postal Conference (WAPCO), in Abuja, said the environment in which the post operates has changed, urging the postal system to change with the dynamic times.

### May 16, 2014

Bloomberg Businessweek: Italy's government approved a plan to sell shares in the state-owned postal service and the air-traffic control agency as part of Prime Minister Matteo Renzi's efforts to reduce the country's debt. The cabinet approved a decree for the sale of up to 40 percent of Poste Italiane SpA and as much as 49 percent of Enav SpA, the premier's office said today in a statement.

Helsinki Times: The Finnish postal service Itella's announcement of a trial, which will see delivery days cut from five days to four in six regions, has been received calmly by customers. During the trial, set to kick off in the autumn, corporate mail, including invoices, adverts and magazines, will not be delivered on Tuesdays. The trial does not concern newspapers or parcels, or letters or cards sent by the general public, which will continue to be delivered on all five weekdays.

© PCWorld: People will be able to use an online tool to ask Google not to display search results about them, according to a German data protection commissioner. Google will create the tool following a decision by the Court of Justice of the European Union (CJEU), which ruled on Tuesday that Google and other search engines can be ordered to delete links to outdated information about a person published on the Internet. European citizens that want to be forgotten by search engines can file a request directly with the search engine operator to have out-of-date information about them deleted. The operator must determine if the information displayed about the person in its search results is still relevant, and if not, must remove it from the results, the court ruled. In order to deal with these requests Google plans to release an online tool to implement a procedure for a right to be forgotten, or rather for the right not to be found, said Johannes Caspar, Hamburg's Commissioner for Data Protection. The system will include an authentication mechanism to prevent unauthorized takedown requests, he added.

**Fibre2Fashion**: The researchers at Hamburg-based secondary research organization yStats.com report in their new publication, "Global B2C E-Commerce Delivery 2014", that demand by consumers for free and convenient delivery is driving online retailers and delivery service providers to look for a wider range of delivery methods. Among the trends on the market are intensified competition for quick delivery, growth of the free delivery option, and a movement of some retailers to establish their own logistics and delivery services. Since Amazon.com introduced same day delivery in the USA 2009, many E-Commerce players and multi-channel retailers have followed, such as Google Shopping, Nordstrom, eBay and Wal-Mart in the USA, online luxury retailer Net-a-Porter in the UK, online merchants In the North American E-Commerce market, more merchants in the USA offer free and same-day delivery options, while the larger ones are developing their own delivery fleets. The same-day delivery became a trend among cross-channel and online merchants, even though less than 10% of shoppers say that same delivery is a top factor in shopping.

**E**<u>The Star Ledger</u>: Make no mistake about it: Just as Amazon is synonymous with online retailing for many, and Kindle close to a generic name for e-book readers, Prime is on its way to becoming the standard for convenience in shopping. Prime is competition for Wal-Mart and Costco, no doubt, but it's also becoming a competitor to Apple, FedEx, Netflix, ShopRite and Walgreens. That's a crazy hodge-podge of a list of competitors — a sign of Amazon's ambitions for Prime.

Pacific News Center: The Guam Election Commission has joined GWA, GPA, GMH, private businesses and private individuals in protest over the postal address fiasco on island. And finally, someone in Washington is listening. Thursday, GEC Executive Director Maria Pangelinan says she got a phone call from Deputy U.S. Postmaster, General Ron Stroman who rang her up after hearing media reports about the "mailing address" problems here on Guam. Thousands of letters, bills, packages have been returned to senders because the data base of the new computerized mail sorting system installed on island doesn't have the correct addresses of many island residents and business locations. Whether its the fault of the USPS, or some GovGuam entity that provided the bad address to the Post Office, its created numerous headaches for those who still depend on mail service to get their business done. Recently the Post Office here issued letters to those getting returned mail, advising them to use the address that's in the data base of the Post Office's new computer. But many who got that letter noted that it instructs them to use a different village on their address, from the village they actually they live in. That has created particular problems for the Guam Election Commission.

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

- The Postal Service submitted its 2nd quarter for Fiscal Year (FY) 2014 to the Postal Regulatory Commission. It showed a net loss of \$1.9 billion for the 2nd quarter and a \$2.2 billion loss for the first six months of FY 2014. Without the USPS' workers' compensation and prefunding requirement, the USPS would have made \$261 million for the 2nd quarter and \$1.0 billion for the first six months of FY2014.
- The Government Accountability Office has released its latest report, "U.S. Postal Service: Delivery Mode Conversions Could Yield Large Savings, but More Current Data Are Needed," examining the potential cost savings and issues related to delivery conversion.
- The Postal Service published its unaudited March results with the Postal Regulatory Commission. USPS lost \$465 million in March 2014. The Postal Service's controllable operating LOSS for the month was \$2 million. It is important to note that this is the second full month with the exigent price increase.
- Safeguard your mail and your identity with this mailbox. No thrillah in Manilla: Paperless 2013 founder going down for the count. Myths about mail. Savings USPS still not a priority item. USPS reports \$1 billion operating profit in first half of fiscal year. PRC rejects request to add Private Address Forwarding. Rolando: Results reconfirm the steady improvement in USPS' finances. USPS opposes request for PRC to look at demand analysis. Carper and Coburn react to USPS' quarterly results. Service Bundles Part I: A Critical Strategic Option? A void at the top gives PMG free rein.
- Announcements on recent reports, projects, and blog entries of the USPS OIG.
- International postal news
- Postal previews

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



May 15, 2014

### At the Postal Regulatory Commission: Docket No. R2013-11 Rate Adjustment Due To

**Extraordinary Or Exceptional Circumstances** -- "The Postal Service hereby submits its initial report on the amount of exigent surcharge revenue collected for the quarter ending March 31, 2014 ("Revenue Collection Report").3 As set forth in the Revenue Collection Report, filed with this pleading, the Postal Service collected \$347.4 million in exigent surcharge revenue."

State of the Business by PMG Pat Donahoe (In A message to all employees of the United States Postal Service from Postmaster General Patrick R. Donahoe.

**Talking New Media:** The Software & Information Industry Association (SIIA), the principal trade association for the software and digital content industries, today expressed significant concern over new data from the U.S. Postal Service revealing a sharp decline in the volume of periodicals mailed in the first quarter of 2014. This is the first quarter following the 4.3 percent exigent rate increase that went into effect this year as part of an overall 5.9 percent rate increase. Specifically, periodical volume decreased by 7.8 percent for the quarter, which led to a 5.3 percent revenue decrease for this mail class for the quarter. This first quarter decline in periodical volume represents the largest first quarter decline since 2009, which occurred during the height of the Great Recession. In response, SIIA President Ken Wasch issued the following statement: "It is troubling, but not surprising, that the exigent rate increase has led to a steep decline in volume of periodicals mailed in the U.S. and a significant drop in postal service revenue. This data provides evidence consistent with an SIIA member survey in 2013, which found that significant rate increases must be coupled with increased USPS efficiency and appropriate 'right-sizing' of the Postal Service, while preserving service standards. Without these steps, the significant declines in volume and revenue can be expected to continue."

**Forbes:** "Tax Court Petitions - UPS v USPS - One Letter - Big Difference"

Channel Online: The Chief Executive of Jersey Post is leaving his role after three years. Kevin Keen will be replaced Tim Brown at the end of July. Since 2011, Mr Brown has been a non-executive director of Jersey Post and its Deputy Chairman since 2013. He is also a Chartered Public Finance Accountant and Fellow of the Chartered Institute of Logistics and Transport. Mike Liston, Chairman of Jersey Post said: "Kevin Keen has fully delivered the business turnaround task he was set by the Board when he joined Jersey Post, as it faced the loss of the Island's Fulfilment industry upon withdrawal of LVCR in the UK. With its radical restructuring now complete, and the business profitable despite the loss of half its annual revenues caused by the LVCR demise, the company is in a strong position to exploit the opportunities for growth which Tim Brown's diverse experience of the industry will facilitate."

**INDUSTRYALERT** 2014 Emerging Technology Promotion Webinar Thursday, May 22, 2014 2:00 p.m. EDT Pre-registration is required - lines are limited so please sign up today! To register for the webinar go to

https://uspsmeetings.webex.com/uspsmeetings/j.php?ED=256490662&UID=3882148&RT=MiMxMQ== Learn more about ways to use emerging technologies to engage consumers in today's technology based marketing landscape. Mailers have the opportunity to earn a 2% discount on eligible postage and boost brand value, consumer retention and acquisition, and improve the overall marketing experience with the Emerging Technology promotion. This webinar will provide program and registration requirements as well as an overview of the remaining promotions planned for 2014. Also, don't forget the 2014 Mail and Digital Personalization Promotion, is underway running now through June 30th. The promotion provides participating mailers with the opportunity to receive a 2% upfront postage discount on qualifying mailpieces that utilize variable data printing (VDP) or other print technology which provide varying levels of mailpiece personalization and customization.

**Fedweek:** One potential vehicle for substantial benefit changes has been a postal reform effort that could include government-wide restrictions on injury compensation benefits and authority for a separate health insurance system for postal employees and retirees, either in a new program or as an independent subset of the FEHB. Differing bills have cleared the committee level on both the House and Senate side, but the main House sponsor, Oversight and Government Reform Committee chairman Darrell Issa, R-Calif., has not pushed for a floor vote due to opposition to certain aspects that could cost jobs, including ending Saturday mail delivery.

Washington Post: A recent watchdog report shows that the U.S. Postal Service could save a substantial amount of money by cutting back on door-to-door deliveries in exchange for dropping off mail at curbside and community mailboxes, the likes of which are often seen in office parks and new residential developments. The Government

Accountability Office said in its analysis that the alternative delivery methods have proven to cost 35 percent to 55 percent less than shuttling mail to every doorstep.

Wall Street Journal: Mountain View, Calif.-based Google and others are wrestling with how to handle European requests to delete content from Internet-search engines following a landmark ruling in a European court on Tuesday that says individuals have, in some cases, a right to demand the erasure of links to information about them that is old or irrelevant. The ruling, by the Luxembourg-based European Court of Justice, has been a lightning rod for a trans-Atlantic debate over where to draw the line between a right to privacy and a right to free speech. But it also raises a host of new questions that many tech companies must now tackle, according to lawyers, analysts and people close to the firms.



<u>National Association of Letter Carriers</u>: The postmaster general's "shrink to survive" austerity plan was developed in the depths of the global financial crisis. Then, the economy was collapsing, mail volume was plummeting and the pre-funding payments were crushing the Postal Service. Fortunately, today the economy is recovering. The Postal Service is...poised for a major comeback if only its leadership would

stop focusing on the rear-view mirror. What we need now is vision and leadership. Sadly, that is not coming from L'Enfant Plaza and it's not com-ing from either end of Pennsylvania Avenue, where both the White House and some key leaders in Congress remain enthralled with the PMG's misguided doomsday vision. Rather than acknowledge the massive amount of so-called "right-sizing" that has already happened, or admit that the USPS' finances are improving even as they remain fragile due to the pre-funding mandate, key leaders in Washington remain committed to continued austerity, no matter how self-destructive to the future of the USPS. To be blunt, the USPS Board of Governors has effectively ceased to function as either a guiding or restraining force on management. It no longer has a quorum to make decisions or exert influence. There are now five vacancies— out of nine seats! Two sitting members are in their final year of service and another's term has expired, though he is serving a single hold-over year while a replacement is sought. Partisan gridlock in the Senate has prevented any new appointments. In this environment, there is no counter weight to the PMG's destructive service cuts. Nobody is there to keep him honest or to offer better ideas. Indeed, three of the four governors were ap-pointed by President George W. Bush and may simply share the PMG's austerity agenda.

**Post & Parcel**: Deutsche Post DHL has said it had a "good start" to the year, but although revenues and earnings were up in the first quarter, currency movements hit growth. The German postal and logistics giant said today that revenues edged upwards by 1% to EUR 13.6bn, but would have climbed 5% taking the currency impact out of the equation. Pre-tax earnings grew by more than 2% to EUR 726m, with net profits up slightly compared to last year's first quarter, to EUR 502m, mostly driven by double-digital earning growth in the DHL Express division.

The Guardian: Through apprenticeship and graduate programmes, Royal Mail is helping to end unemployment and underemployment for many young people in the UK – at the same time making sure the organisation has the skilled people and senior leaders it needs to safeguard the sustainability of its business. As one of the UK's largest employers, Royal Mail recognises that it is in a strong position to tackle youth unemployment.

**Gant Daily**: A DuBois woman accused of stealing money from greeting cards while working at an area post office is now facing additional charges. Several victims who were missing greeting cards and money from them contacted police after reading about the charges against Jody Lynne Cavazza, 56, 382 DuBois Rockton Rd., DuBois, in a Courier-Express article on April 13. Cavazza is charged with two counts each of theft by unlawful taking and receiving stolen property in the original case. In a new case filed recently, she is charged with 11 counts each of theft and receiving stolen property. She waived her right to a preliminary hearing during centralized court. Cavazza, who is an employee of the Rockton Post Office, allegedly took cash, gift cards, lottery tickets and more from greeting cards going through the Rockton Post Office. Some of the cards were delivered opened or resealed and others were never delivered at all.

**WJLA**: It is postal service carts like this one that the thieves stole, according to police. Hundreds were taken from this postal facility in District Heights. Continue reading Officials say they were stolen, and the postal service logos painted over before being taken to recycling centers in the area by two Anne Arundel County men: 52-year-old Aaron Howard and 57-year-old Roland Muir. Police say the two sold 380,000 pounds of the scrap aluminum and made almost a quarter million dollars in cash before they were caught.

#### May 14, 2014

Bergen Record: The Carlstadt post office, dedicated to two local fallen Iraqi War veterans, has survived revenue declines and was spared permanent closure in 2011 but now faces "discontinuance" following a three-alarm fire on April 24 that caused its doors to temporarily shut. Since the fire, services have been suspended, and pickups and other services routed to the East Rutherford branch about a mile away. Postal officials have sent out notices to its customers that a community meeting is planned at or near the Rutherford post office to explain the postal service's plans and to solicit comments concerning possible alternative means of providing postal and other services to Carlstadt residents. The date of that meeting has not been set. "Although the recent fire was destructive and costly, it should not be used as a pretext to shut down the Carlstadt Post Office," Congressman Bill Pascrell wrote to Postmaster General Patrick R. Donahoe.

**Today.com**: People who paid much more than they expected to change their mailing addresses have some money coming back. An Ohio company that runs two change-of-address websites will refund money to customers who may have been misled into using their service—thinking they had landed on the official U.S. Postal Service website. Change-My-Address.com and Change-of-Address.us are run by Form Giant of Cincinnati. The sites charge \$19.95 for the service, which the USPS provides for just a dollar. According to lawsuits filed by the states of Ohio and Washington, that price was never clearly disclosed. "This company deceived consumers into thinking they were paying one dollar for the change-of-address service, when in reality, they were charged much more," said Ohio Attorney General Mike DeWine in a statement. Last year, CNBC reported that complaints were pouring in about Change-My-Address.com.

Gadgeteer: If you worry that your mail could be stolen from your outdoors mailbox, you need to switch from the standard mailbox to the SecureLogic Mail Vault Locking Mailbox. The mailbox comes with a color-matched mounting pole, and the bolts, screws, and other hardware you need to install it. The box has a chute so the delivery person can drop envelopes, magazines, and even small packages into the locked box. The secure box is opened by a battery-powered keypad, so no keys are necessary, and the code can be up to 8 characters for extra security (user programmed and changeable at any time). It measures 12.375" x 18" x 21", so it can handle a couple of days if you're gone for a long weekend. The Mail Vault is available in black, white, or tan from SmartHome for \$249.00.



Press Release: UPS, a leading global logistics provider and advocate for global

trade, applauds the launch of the next phase of the National Export Initiative (NEI), NEI/Next, by the Obama Administration today. "NEI/Next and trade initiatives, such as the Trans-Atlantic Trade and Investment Partnership (TTIP) and the Trans-Pacific Partnership (TPP), will streamline the flow of global commerce and open new markets to American businesses" said Scott Davis, UPS Chairman and CEO. "This is especially critical for UPS's small- and medium-sized customers, many of whom are looking 'to go international."

The Murray Valley Standard: Worries about postal services may soon be a thing of the past when Australia Post implements its new business initiatives in 2015. See your ad here Changes include delivering parcels on Saturdays, extending guaranteed next-day Express Post service to six days a week and opening corporate Australian Post outlets on Saturdays. Australia Post chief executive officer Ahmed Fahour said weekend trading was based on customer demand.

Romania-Insider: The state-owned Romanian Post expects to report a gross positive result for 2013 after receiving from the communication authority ANCOM the amount estimated at RON 30 – RON 50 million (EUR 6.7 – 11.2 million), for the postal company's services, reports local Mediafax. By a decision of ANCOM, the Romanian Post was designated universal service provider in Romania starting 2013. Thus, the company is obliged to provide postal services at tariffs and under conditions set by the regulatory authority. With the full liberalization of the postal market on January 1, 2013, Romania has established a new mechanism to compensate the net cost of universal service provision.

## **Provident and Still listen in and follow along with the PostCom webinar with PostCom EVP Jessica** Lowrance on ''Demystifying the Postal Price Cap Scenarios'' Webinar | Slides

Boise Weekly: Mark Dimondstein kept Boise Weekly waiting for nearly an hour-and-a-half. He had been waylaid by a union meeting, and another, and still another--regional members of the American Postal Workers Union had gathered in Boise in mid April and they wanted some face-time with their new national union president. By the time BW had the opportunity to sit down with 64-year-old Dimondstein, he was pretty fired up and ready to talk about the importance of the U.S. Postal Service and how it is being threatened by its top officials. He was also anxious to dispel what he said were some common myths about the embattled agency.

InCyprus: State postal services Cyprus Post on Wednesday released an announcement acknowledging there have been delays in the arrival of overseas post. According to the announcement "delays are observed in the arrival of mail, which is handled through Amsterdam to Cyprus because of overloaded flights." The postal services said the delays involved postal items from Belgium, Germany, The Netherlands, Portugal, Hong Kong, Korea, China, Singapore, South Africa and Sri Lanka.

**ECOMMERCEBYtes:** Shippers adjusting their pricing for services is nothing new, as companies like UPS and FedEx do so routinely in response to the market and the ongoing issue of high fuel costs. However, come January 2015, ecommerce pros who use FedEx will see a fundamental shift in that company's pricing structure that could impact their businesses. FedEx plans to implement dimensional weight pricing across all of the packages shipping via its FedEx Ground service. For customers using the company's Express service, this is nothing new. However it represents a big change for the Ground shipment customer segment. Currently, FedEx only puts a dimensional weight price tag on items three cubic feet or greater in size. Once the beginning of January rolls around, all packages shipping by FedEx Ground will use that pricing scheme to determine cost of shipment.

**PRWeb**: As comedian Jerry Seinfeld recently said in his stand-up act on "The Tonight Show" starring Jimmy Fallon, "If you [the Post Office] really want to be helpful to us, just open the letters, read'em and email us what it says!" This is exactly what Scan Mailboxes provides along with complete confidentiality and control in mind. Customers can use Scan Mailboxes' street address in Austin, Texas, with an assigned, unique mailbox number. This makes it easier for customers to be mobile as often as they want to and maintain the same mailing address, saving them the inconvenience of any address changes. When customers' mail and packages arrive directly at Scan Mailboxes' facility, customers get notified of scanned images of front envelopes/packages on the same day. From that point, customers can have full control via an user-friendly website from a computer or any mobile device to request to: open and scan the contents, forward the physical mail to any designated address, shred and recycle contents, or keep them in storage. Customers, who are in the Austin area, can even stop by to pick up their mail and packages at no additional charge.

**CBC**: Residents of a Winnipeg neighbourhood are getting ready to fight Canada Post's plan to replace door-todoor mail delivery with community mailboxes. Two areas in northwest Winnipeg, with postal codes starting with R2P and R2V, will be among the first in Canada to switch over to community mailboxes later this year. In the Garden City neighbourhood, which will be part of the initial changeover, numerous homeowners have posted window signs calling on Canada Post to keep home delivery.

**Canoe:** Money-bleeding Canada Post intends to move letter-sorting out of London and Hamilton to Toronto, and Ottawa to Montreal. The move will eventually cost 180 full- and part-time jobs. The remaining workers at the plants will process mostly packages and direct mail, said Canada Post spokesperson John Hamilton. That means if you mail a letter in London to a London address, it'll be sent to Toronto to be sorted before making its way back home. Ditto for letters sent in Hamilton. In Ottawa, mail will go to Montreal to be processed. Employees were notified Tuesday morning of the changes, which will help stem multi-million-dollar losses at the Crown corporation, Hamilton said. He said job losses will take place through attrition, not through layoffs.

May 13, 2014

Kichigan Live: This wasn't a case of child's play. The stuffed animal found in the outgoing mail at a Grand Rapids post office was all about money -- \$15,900 in cash. They also confiscated marijuana and scales.

Washington Times: Door-to-door deliveries for packages could become a thing of the past as the U.S. Postal Service looks for ways to cut costs — even as officials concede they don't know if the cost etimates they are using are reliable. USPS estimated that it costs roughly \$380 annually per delivery point to deliver a package to a door. Other options are cheaper: only \$240 to deliver it to the curb and just \$170 for delivery to some commonly used central location. The problem, however, is that the nation's mail service is using cost data from 1994, and although officials have attempted to adjust for inflation, the USPS estimate is probably out of date, said the Government Accountability Office. GAO Report Highlights | Full Report

EcommerceBytes: An eBay shareholder who also happens to be a Top Rated Seller asked eBay CEO John Donahoe and the board of directors why he was being punished for something outside of his control. The seller raised the question at the company's annual shareholder meeting in San Jose, California today. The seller, named Dave, said he was a hobby seller (since 1998) with over 1500 positive feedback ratings who listed things around his house, from laptops and hard drives to coins, baseball cards and bobbleheads. He said he would lose his TRS status in August due to new tracking requirements that will require TRS sellers to upload tracking on 90% of their shipments. Dave said he places his lightweight items into USPS First Class envelopes along with a tracking bar code, but the Postal Service won't scan them.

**KrebsOnSecurity:** The United States Postal Inspection Service is investigating reports that fraudsters are installing skimming devices on automated stamp vending machines at Post Office locations across the United States, KrebsOnSecurity has learned.

The Gulf Today: Emirates Post Group has started rolling out next-generation postal e-services, with a focus on providing commonly used services via smart phones, according to Ibrahim Bin Karam, Chief Commercial Officer of the Group.

### At the Postal Regulatory Commission:

Postal Service Active Employee Statistical Summary (HAT Report), Pay Period 10, FY 2014 http://www.prc.gov/docs/89/89768/HAT14pp10.pdf http://www.prc.gov/docs/89/89768/Letter HAT PP10FY14 20140513150417.pdf



Dead Tree Edition: Manilla, a Paperless 2013 sponsor that aimed to save people from the horrors of printed and mailed bills, is throwing in the towel, according to TechCrunch. Unable, in the words of its own ads, to get its "s\*\*t [sic] together," the three-year-old Hearst unit will start winding down on June 30 and shut down completely on Sept. 30. Manilla, along with Google, was one of seven sponsors of the controversial Paperless 2013 greenwashing campaign that was supposedly about helping the environment but was actually about bringing the sponsors more green stuff.

**KUAM:** The Guam Election Commission will be discussing the situation regarding the recent mishaps with the mail. Thousands of residents have been impacted by changes that have been implemented by the US Postal Service. The delivery debacle has landed on the doorsteps of the GEC. [EdNote: And you thought the only problem they had in Guam was brown tree snakes.

Manchester Evening News: Postal firm My Parcel Delivery has secured £500,000 investment to help fund business growth plans. The online parcel delivery comparison website, received the investment just months after announcing an initial £1m-plus cash injection in February from Manchester-based Praetura Capital. Manchesterbased My Parcel Delivery works in partnership with major couriers such as DHL, TNT and UPS and gives users the chance to compare rates for the package they want to send.

ERCUTES: Last week's report that the U.S. Postal Service lost another \$1.9 billion in the last financial quarter made me yearn for a story detailing the cost constraints afflicting this largest and most hidebound of government services. Everything from union restrictions, to legacy pension obligations, to congressional pressure that keeps even the smallest rural post office not only open but open on Saturdays, to lobbyist strong-arming that keeps the service from using its 32,000 retail footprints to offer other services. Here's the way for a reporter to write this: Completely reimagine the Postal Service by supposing it was sold to a private company. In fact, suppose the uber-opposite of a government agency — Amazon — bought it. What would the real estate be worth if a more efficient company, freed from congressional oversight, bought the agency and slimmed down its holdings, cashing in on some of the premium properties scattered through every town, while using those that remain to offer all kinds of additional retail services? What would Amazon's Jeff Bezos do with what the Postal Service's website says is its \$47 billion payroll, not to mention its 211,000 vehicles? What efficiencies could be achieved by radically streamlined operations? What would that look like? Who would be the victims, from among its 626,000 employees to people who still depend on delivery of 158 billion pieces of snail mail processed annually? How could the government require in the sales contract that some of this collateral damage be limited? [EdNote: Given the constraints imposed by a rancorous Congress and the total lack of a well-defined, unambiguous universal service obligation, only a moron with no business sense at all would want to purchase and operate the U.S. Postal Service.]

### Solution Office of the Inspector General:

- <u>International Postal Big Data: Discussion Forum Recap May 12, 2014 (RARC-IB-14-002)</u> Big data offers enormous opportunities for postal operators everywhere including the U.S. Postal Service to become more innovative, efficient, and responsive. This and other intriguing insights emerged from a discussion forum jointly hosted by the Universal Postal Union and the Postal Service Office of Inspector General (OIG). A newly released OIG briefing paper details not only all the insights, but also the step-by-step approach required for postal operators to build a successful big data strategy.
- <u>The Promise and Pitfalls of Cloud Computing</u> Maybe you've seen the television commercial with a clueless couple sending their household items up in a hot air balloon to be stored "in the cloud." It's funny, but also holds more than a grain of truth. Many of us don't fully understand the cloud. So we might not realize its promise or potential hazards.

SmallBizTrends: How does the owner of a home-based business manage to be successful in international eCommerce, moving a half million dollars worth of product through her living room each year? With smart marketing and the right kind of help, that's how. She then integrated her website with shipping options from FedEx, her shipper of choice. "I was able to call up a tech assistant to get my FedEx account working with my Shopify account. I had a FedEx employee working with me to make my Shopify account work with FedEx." But the biggest bang comes from using FedEx as a strategic advisor.

**National Review:** *NALC President Frederic Rolando --* "National Review recently ran a story purporting to look at U.S. Postal Service finances and prospects. This is an important topic, and your readers deserve a serious discussion — as do postal employees, one-quarter of whom have served this nation in military uniform, and all of whom serve the public now in a different uniform. Unfortunately, partisanship being what it is these days, a number of myths have been put forward about the USPS, some of which were repeated in your reporting..."

**DC Velocity**: Depending on one's perspective, FedEx Corp.'s planned Jan. 1 switch to dimensional pricing on ground parcel shipments measuring less than three cubic feet is either another attempt to grab shippers by the short hairs or a rational move to price its surface capacity in line with an evolving traffic mix. The policy change could also wean customers off an addiction to excess packaging that adds unnecessary cube and cost to each delivery.

### May 12, 2014

**<u>The Street</u>**: For Washington lawmakers already at loggerheads over the country's fiscal mess, the United States Postal Service has not delivered good news. If you go by CEO Patrick Donahoe's past pronouncements, he is not looking for a taxpayer bailout. The help he needs from Capitol Hill is for legislative changes allowing him to mitigate two important cost items on his balance sheet -- ending Saturday delivery permanently and removing

mandatory pre-funding of retiree health plans. As expected, there is gridlock on this issue in Washington. Many do not want to cut back to five days of deliveries. For some reason there is a strange political imperative that Saturday delivery seems to hold for U.S. politicians even as industry trends are moving towards new models. Meanwhile, Donahoe has been doing what most corporate CEOs would do in such an environment -- close mail centers, eliminate excess headcount and look to squeeze out additional revenue where he can.

**TWire:** As it transitions away from letters and into parcel delivery, Australia post has announced it will return to delivering on Saturdays, something it has not done for 40 years. Australia Post loses money on delivering letters – where it has a monopoly – and makes an enormous profit on delivering parcels – where it competes against many private companies. The mix has been changing for decades. The Internet, and especially email, has all but killed the private letter. Even most Christmas cards are now digital. But at the same time the growth in eCommerce has meant a boom in parcel deliveries, as people order everything from shoes to groceries online. Now Australia Post has announced it will start delivering parcels on Saturdays and extend guaranteed next-day Express Post letter and satchel delivery (the yellow bags) to households six days a week from the end of this year. In addition, Australia Post corporate outlets will also open on Saturdays. It will also introduce a two speed postal system for letters. CEO Ahmed Fahour has announced that Australia Post will provide a choice of regular and priority for letter delivery, similar to first and second class stamps in New Zealand, the UK and USA.

Zawya: Emirates Post Group has started rolling out next-generation postal e-Services, with a focus on providing commonly used services via smartphones, according to Mr. Ibrahim Bin Karam, Chief Commercial Officer of the Group. The Group's plans to boost volumes of international parcels and highlighted the importance of e-commerce in today's changing world and ways to develop it further.

BusinessWire: OpenGate Capital, a global private buyout firm, announced today that its wholly owned portfolio company, PennySaver USA, has acquired The Monthly Mailer from the founders, Brandon Ligthart and Matthew Kinser. The business specializes in producing three, full-color advertising and coupon publications, "The Monthly Mailer," "South Bay Monthly," and "OC Monthly," that are delivered through the United States Postal Service to more than 486,000 high income households in 57 Southern California zip codes. In addition to the print publications, The Monthly Mailer business has three websites and is active on Facebook and Twitter. Terms of the acquisition were not disclosed.

### Wall Street Journal:

- <u>Carl DeMaio</u>, a California Republican running for Congress, doesn't seem all that concerned with alienating his would-be colleagues. Mr. DeMaio plans on Monday to unveil a list of 102 members of Congress who draw taxpayer-funded pensions from a previous public-sector employer.
- <u>U.S. pension funds</u> face a dilemma that might be considered a nice problem to have: record amounts of capital flowing back from private-equity investments. Strong markets have given the private-equity firms backed by pension money the ability to sell companies, which generates cash for investors.

**Romania-Insider**: About 4,000 postal workers protested outside the Government headquarters in Victoria Square. Workers, demonstrating against recent job cuts and low wages, called for both the Romanian Post Company Director general Ion Smeeianu, and of Executive director Rosita Alexe to resign.

**Post & Parcel**: Deutsche Post DHL is now offering German households the chance to have their own individual parcel boxes installed, to receive parcels when they are out. The German national postal operator has described it as the "greatest development" in the mail industry since the humble mailbox came along. The company said residential customers anywhere in Germany can now rent its DHL Paketkasten for as little as EUR 1.99 per month, or buy one outright for EUR 99 and upwards. Deutsche Post hopes the new delivery option will help it in the highly competitive German parcel industry.



**I**<u>Irish Times</u>: Serious concern has been expressed by the Data Protection Commissioner about the privacy impacts of the proposed new postcodes to be introduced in the State early next year. Publishing his annual report for 2013, Billy Hawkes said he was concerned about the potential uses of the code, including its potential to be used along with other data to identify specific areas that had patterns of crime or illness.

**Merican News Report**: Lester Wunderman defined the term "direct marketing" in 1967 and probably never imagined how direct response marketing would evolve. Through direct mail, the industry became the major revenue producer for the U.S. Postal Service. Through direct response television, it brought us such infamous lines such as, "But wait, there's more!" and "Call Now!" It brought into our homes Ginsu knives, the salad spinner and the ShamWow! Direct response did not stop with commercial products. Non-profit fundraisers seized the opportunity and entered the scene with telethons and radiothons – all with emotional calls to action. "Cure this child", "Feed this family", and "Save this dog". The direct response tool kit also included print ads, telemarketing, voicemail marketing, radio, coupons, insert media and grass roots marketing. Then BOOM! The Internet came and everything changed! Today, our direct marketing arsenal includes online display ads, SEO, SEM, online videos, mobile apps, QR codes, PURLs, digital coupons, LinkedIn, Twitter, YouTube, Facebook and over 200 social media sites!

**The Motley Fool**: If you're in the market for a blue chip stock that can deliver profits to your portfolio, consider FedEx. It has gained roughly 48 percent over the past year, and averaged an annual return of 11 percent over the past 20 years. The sluggish global economy has challenged FedEx, as did this past tough winter. In the company's last quarterly report, earnings fell short of expectations. But there was good news, too.

El Paso Inc.: E-commerce companies, led by Amazon.com and the sites it owns, like Diapers.com and Soap.com, have made it easy to order bulky items like toilet paper and diapers without paying a cent for shipping. So when FedEx announced that it would change its shipping prices to charge for the space a package occupies in a truck, not just its weight, many analysts suggested that Amazon would be the biggest victim. Shipping costs already eat into its slim profits, and as any Internet shopper knows, Amazon has a habit of mailing items from a single order in multiple oversize boxes, often with free two-day shipping. But FedEx needs Amazon more than Amazon needs FedEx. Instead, FedEx's price increase, which happens in January and which analysts say UPS is likely to match, could further cement Amazon's power over retailing by striking a bigger blow to small Internet retailers, the same ones that are already losing the battle with Amazon.

The New Indian Express: The State Transport Department has tied up with Postal Department to begin home delivery of driving licence and vehicle registration papers within a fortnight. The department was contemplating to introduce the measure for past few months. The objective is to tackle the issue of fake addresses besides providing service to the applicants. The applicants can now avoid long queues to get their driving licences. The new system will be introduced across all Regional Transport Offices (RTO) of the State within a stipulated time. In addition to the Postal department, the Transport department has also tied up with smart card manufacturing company- Smart Chip Limited.

**Computerworld**: Australia Post has revealed that its digital mailbox service left beta testing and has been formally released. In addition to the formal launch of the digital mailbox, Australia Post said it would also scale up its physical mail services, including year-round delivery on Saturdays. The announcement comes at a time when debate in the United States occurs around whether to kill Saturday deliveries to save money for the US Postal Service. The Internet has placed great pressure on Australia Post, forcing it to embrace digital and make other changes to its business. Australia Post CEO Ahmed Fahour. "We're not only expanding our range of trusted physical services but we're also building digital infrastructure, such as our digital mailbox, that replicates the convenience, privacy, control, reliability and trust that we've always offered Australian consumers via our physical networks.

Sydney Morning Herald: Australia Post wants to stop delivering the mail every day, do you care? The internet age hasn't been kind to postal services around the world like Australia Post. The rise of online shopping has seen a boost in parcel numbers, but it hasn't been enough to offset the plunge in standard letters due to email, social media and electronic billing. Australia Post says it's reaching the point where it's no longer feasible to deliver everyone's mail every day – with mail volumes dropping 25 per cent since 2008. The thought of not seeing the postie every day might not bother some people, but as a society I'd say we're certainly not at the point where we can scrap snail mail

completely. Instead Australia Post has floated the idea of only delivering the mail a few times a week, with the option to pay extra if you want your mail every day. This sounds like a reasonable compromise to me.

**E**<u>eCommerceBytes</u>: Amazon is taking full advantage of the U.S. Postal Service's commitment to extend its package delivery schedule to Sundays. In November, Amazon announced the availability of Sunday delivery to Prime customers located in two cities - New York and LA, and it is now expanding the service to an additional 15 cities in the U.S., also with the help of the USPS. Amazon said it had delivered "millions of packages" to customers on Sundays since the program launched, and it said it planned to continue to roll out Sunday delivery with the USPS "to a large portion of the U.S. population" in 2014.

**Washington Post:** The Postal Service's quarterly filing with the Securities and Exchange Commission, known as a 10-Q, indeed shows net income of \$261 million for the three-month period that ended March 31 — but that is before taking into account a pair of hefty expenses: \$708 million for workers' compensation and more than \$1.4 billion for the pre-funding of retiree health benefits. Once those expenses are considered, USPS shows a loss of almost \$1.9 billion for the same period. That loss reflects the true financial condition of the Postal Service, according to USPS CFO Joseph Corbett. He said the \$261 million in net income relates to "operations that are substantially under management's control," which does not include workers' comp and pre-funding. He cited Postal Service liabilities exceeding assets by \$42 billion, and \$10 billion needed for deferred investments including new delivery vehicles and package-sorting equipment.

### May 11, 2014

**Omaha World-Herald:** Suburban Air Freight has had a contract with the U.S. Postal Service since 1984 to carry all the express and priority mail for western Nebraska and most of northern Kansas. Financial woes have now prompted the cancellation of the contract with Suburban and the end of air mail service altogether in Nebraska. Brian Sperry, regional spokesman for the U.S. Postal Service, said the move is in an attempt to be more efficient and cut costs.

Radio New Zealand: Australia Post has announced it will begin operating express services six days a week from Christmas this year and all branches will open on Saturdays. New Zealand Post plans to reduce its services to three days a week from next year, because mail volumes are falling faster than expected. EPMU postal co-ordinator Joe Gallagher said the union is looking offshore to see how postal services in other countries are dealing with the global decline in mail volumes.

**CBC** News: Despite the increased costs of postage, a steady decline in the use of letter mail and continuing cuts to its workforce, Canada Post has a future, says the man who heads the Crown corporation. "This institution has incredible capacity to reinvent itself," said Canada Post president and CEO Deepak Chopra in a feature interview on CBC Radio's The Sunday Edition. Chopra says that due to "evolution," Canada has developed a two-tiered postal system, wherein a majority must pick up their mail from a post office or community mailbox while a minority continues to enjoy home delivery. He outlined stark differences in the annual costs involved: \$60 per address to deliver to a rural post office; \$120 per address to deliver to a community mailbox; and \$275 per address for door-to-door delivery. The latter, still available to about five million homes, is costing Canada Post about \$500 million per year, "which we supported and managed as long as we had the mail volumes to support it, but it's no longer sustainable," Chopra said.

#### May 10, 2014

**Slicktext:** ABI Research conducted a survey which revealed that 52% of all consumers will use mobile coupons if they have them available, when shopping at their favorite stores. Along with the surge in smartphone popularity and the consumer's need to use it in a variety of tasks, the news couldn't be better for companies who use text marketing, or those who are searching for better and bigger ways to build a large following of customers. Mobile coupons are the perfect way to attract a consumer into your store's doors.

American Postal Workers Union: Midway through the fiscal year, the USPS is reporting a \$1 billion profit from operations, with \$261 million of that amount from the second quarter. But you won't read that in the mainstream media. Instead, you'll hear – once again – that the Postal Service suffered losses of billions of dollars. The truth is that the Postal Service's well-publicized financial crisis is a manufactured one. It is the result of the congressional mandate that the Postal Service, alone among all public agencies and private companies, be required to pre-fund future retiree health benefits. The positive balance sheet continues the steady progress in the finances of the Postal Service, which has been operating at a profit since October 2012. A dramatic increase in online shopping has sparked an explosion in package volume and revenue, while a gradually rebounding economy has stabilized letter revenue. - See more at: http://www.apwu.org/news/web-news-article/usps-reports-1-billion-operating-profit-first-half-fiscal-year#sthash.11TEVV4p.dpuf



<u>National Association of Letter Carriers</u>: The Postal Service today reported a quarterly operating profit of \$261 million, which brings the operating profit for the first half of fiscal 2014 to more than \$1 billion. Driving the quarterly performance were the 8 percent jump in package revenue and—in a turnaround—the 1.6 percent increase in letter revenue. These results reconfirm the steady improvement in the finances of

the Postal Service, which has been operating at a profit since October 2012. Rising online shopping has sparked a jump in package revenue, while a gradually rebounding economy has stabilized mail revenue. That's why the USPS forecasts a \$1.1 billion operating profit this year. Given these positive trends, it would be irresponsible to degrade services to the public, which would drive away mail—and revenue—and stop the postal turnaround in its tracks. Lawmakers shouldn't dismantle the postal network that is profitable in meeting the needs of an evolving society.

Postalnews Blog: Who said "all we need from Congress is help with restructuring our retiree health benefit plan"? Pat Donahoe

Surface Visibility – Transportation Operations – Suncoast District Surface Visibility – Transportation

Operations – Suncoast District -- "The Suncoast District could more effectively execute SV system scanning. We observed employees estimating trailer bed loads and manually entering the information into the SV system 73 percent of the time. Consequently, they were only scanning containers 27 percent of the time. Because of this improvised workaround, the official scan container compliance score reported in the SV system was much higher at 55 percent (a 28 percent variance from the actual scans). These conditions occurred because containers did not always have properly barcoded placards and employees were inadequately trained and supervised. Also, some employees stated that it was more convenient to use the workaround than to actually perform the scans. These actions might have artificially inflated SV scan compliance performance scores for some area and district employees. This information was provided to the OIG's Office of Investigations for action as appropriate. Because the SV system data were unreliable and not useful for optimizing transportation, management missed an opportunity to eliminate or modify 103 highway contract route trips and eliminate 2,928 postal vehicle service driver workhours. These changes would have saved an average of about \$2,124,000 annually in transportation-related costs."

May 9, 2014

# St the Postal Regulatory Commission:

- MC2013-60 Order No. 2077 Order Rejecting Request to Add Private Address Forwarding to the Product Lists
  - http://www.prc.gov/docs/89/89755/Order No\_2077.pdf
- USPS Preliminary Financial Information (Unaudited), March, 2014 <u>http://www.prc.gov/docs/89/89758/2014.5.9 March FY2014 PRC Report--attachment.pdf</u> <u>http://www.prc.gov/docs/89/89758/Letter\_PFI\_MarchFY14\_20140509160852.pdf</u>
- USPS Quarterly Performance Reports, Quarter 2, FY 2014 National Trial Balance, March, 2014 (FY 2014); and Statement of Revenue and Expenses, March, 2014 (FY 2014)
   <a href="http://www.prc.gov/docs/89/89760/Letter\_NTB-SRE\_MarchFY14\_20140509160724.pdf">http://www.prc.gov/docs/89/89760/Letter\_NTB-SRE\_MarchFY14\_20140509160724.pdf</a>
   <a href="http://www.prc.gov/docs/89/89760/National\_Trial\_Balance">http://www.prc.gov/docs/89/89760/Letter\_NTB-SRE\_MarchFY14\_20140509160724.pdf</a>
   <a href="http://www.prc.gov/docs/89/89760/National\_Trial\_Balance">http://www.prc.gov/docs/89/89760/Letter\_NTB-SRE\_MarchFY14\_20140509160724.pdf</a>

http://www.prc.gov/docs/89/89760/Statement of Revenue and Expenses - Redacted, March, 2014 (FY 2014).xls

• **RM2014-5** Answer of the United States Postal Service in Opposition to Petition to Initiate a Proceeding Regarding Postal Demand Analysis

http://www.prc.gov/docs/89/89759/Opposition Petition.pdf

"On May 2, 2014, a consortium of mailers filed a petition pursuant to Commission Rule 3050.11, seeking initiation of a proceeding to examine issues relating to price elasticities and other demand analysis matters.1 The Postal Service submits that such a proceeding would serve no useful purpose, and therefore opposes the petition. The interests of both the Commission and the Postal Service are better served by focusing their scarce resources elsewhere."

Today, <u>Homeland Security and Governmental Affairs Committee</u> 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 2014: "Unfortunately, today's announcement that the Postal Service lost \$1.9 billion in the second quarter of 2014 comes as no surprise," said Chairman Carper. "In 20 of the past 22 quarters, the Postal Service has announced losses, often times amounting to billions of dollars. The harsh reality is that it's likely we'll continue to see the U.S. Postal Service suffer unsustainable losses that threaten its longterm viability until Congress acts. 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. The bipartisan Postal Reform Act of 2014, which Dr. Coburn and I passed out of Committee earlier this year, would make the changes that the Postal Service needs to thrive into the future. I am hopeful that this legislation will be brought to the Senate floor soon so we can save the Postal Service once and for all." "Without structural reform, taxpayers are going to keep seeing the Postal Service's losses pile up," said Dr. Coburn. "Both the Senate and the House have reform bills that would fix the problem. It's time for Congress to get something passed before another quarter goes by."

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

- **DEMYSTIFYING THE POSTAL PRICE CAP SCENARIOS** Register for your webinar seat now: <u>https://www1.gotomeeting.com/register/394089704</u> Join Jessica Dauer Lowrance, Executive Vice President, PostCom on Tuesday, May 13, 2014 at 1:00 pm ET for a discussion on how the USPS uses its current pricing authority, and understand the potential changes you could be facing with the current legislative efforts.
- The Postal Regulatory Commission had denied the Postal Service's motion to stay in the exigency case. The Commission agreed with all the points raised in the PostCom/ANM et al. request to deny the USPS' motion. The Commission pointed to the timing of the motion, only 7 or 8 days before the reports were due to file such a motion, saying this was very problematic. It also agreed with the standard of review laid out by PostCom et al. The Commission set June 2 as the date for which the USPS had to submit its exigent rollback plan, as well as extended the quarterly reports due date by 15 days; from 30 to 45 days after the quarter close. The first report is due May 15.
- Postal Regulatory Commission (PRC) Chair Ruth Goldway earlier this week talked to attendees of the IDEAlliance's 2014 Print Distribution conference about innovation and the USPS, saying that the management mindset of the USPS needs to change to foster innovation to take it into the future.
- USPS Chief Information Officer (CIO) and Executive Vice President Jim Cochrane earlier this week told attendees of the IDEAlliance 2014 Print Distribution conference that to foster innovation and growth, the industry and USPS need to find opportunities to grow together and align, need to collaborate, and need to move faster. He said there is a lot of disruption in the marketplace right now and the pace of change is becoming increasingly rapid.
- "Postal reform is no closer today than at the start of 2013," Ben Cooper, co-manager of the Coalition for a 21 st Century Postal Service, told the IDEAlliance group earlier this week. He said that the leaders of the Senate Homeland Security Committee have developed a bill but it has little support, and the House initially had drafted legislation which had broad industry support but has not moved to the floor because of 5-day delivery issues.

- USPS Manager of Operations Integration and Support Cathy Moon earlier this week at the IDEAlliance 2014 Print Distribution conference gave an update on the status of the USPS' flats strategies, as well as the changes seen since the January 2014 implementation of required FSS preparation.
- The IDEAlliance earlier this week at its 2014 Print Distribution conference engaged participants in its annual exercise of identifying the issues that are "keeping them up at night." Concerns included postal reform, keeping the mail channel viable, 250-pound pallet issues, USPS and supply chain "brain drain," DMM simplification, costs being pushed to industry, and more.
- The IDEAlliance's 2014 Print Distribution conference earlier this week provided a panel of industry experts who briefed attendees on logistics trends past, present and future. All agreed that this past winter brought intense challenges in terms of transportation and logistics which are still not yet back on track, and the future could bring a freight capacity crunch with truck and driver shortages.
- The USPS Office of Inspector General in a new white said, "[t]he U.S. Postal Service continues to experience financial challenges and operated at a \$5 billion deficit in fiscal year (FY) 2013. The Postal Service remains a labor-intensive organization; it incurred about \$47 billion in compensation and benefits expenses in FY 2013, including about \$6 billion for retirement benefits. In its 2013 Annual Plan, the Postal Service said it needs to create a new retirement plan for future employees as part of its efforts to gain control over personnel costs. At the request of the Postal Service, we benchmarked its retirement benefits against six private and two government sector programs."
- Business community opposes House postal reform bill. Group of mailers request PRC to review econometric models. Donahoe delivers state of the USPS address to catalogers. GSA awards shipping contract to UPS, FedEx. FedEx Freight to raise fuel surcharge by 3 pct in June. USPS says Outbox founders lied about meeting with PMG. USPS shouldn't eliminate Saturday delivery. News Corp. to buy Harlequin for \$415 million. USPS, lawmakers clash over improving finances. GrayHair successful in patent case. Size does matter for FedEx. Schwartz presented with IDEAlliance Mumma Award. Schick receives IDEAlliance Circle Award.
- Announcements of changes within the Domestic Mail Manual.
- Announcements on recent reports, projects, and blog entries of the USPS OIG.
- International postal news.
- Postal previews.

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**☞INDUSTRYALERT** 

The financially troubled Postal Service on Friday posted a net loss of \$1.9 billion in the second quarter, which ended March 31, the same amount the agency lost over the same period in 2013, postal officials said. Though postal officials said they undertook efforts to trim costs like cutting back the hours at many post offices, reducing staff through attrition and consolidating about half of the service's processing plants, the agency said these actions were not enough to reduce its massive debt.



Federal Soup: Rep. Darrell Issa (R-Calif.) this week indefinitely postponed the

markup of his latest postal reform bill. The legislation, which closely tracks the administration's proposals for the U.S. Postal Service—including a plan to end Saturday mail delivery—has drawn the fire of postal labor organizations. Markup of the bill was slated for May 7. "We're glad to see the hearing on this counterproductive bill postponed," National Association of Letter Carriers President Fredric Rolando said in a statement. American Postal Workers Union President Mark Dimondstein, another vocal opponent of the bill, also cheered the postponement, but said members "must remain vigilant." "The bill proposed by Rep. Issa is extremely detrimental to the Postal Service, to postal workers and to the people of the country," he said in a notice on the union's website.

United Parcel Service: The UPS Board of Directors today declared a regular quarterly dividend of \$0.67 per share on all outstanding Class A and Class B shares.

The Australian: Australia Post is set to lose over \$1 billion dollars a year if the current business momentum continues, chief executive Ahmed Fahour has said, making it unviable without significant change to the group's model. Mr Fahour told an American Chamber of Commerce lunch the group was no longer able to offset ballooning losses in its letters business with profit growth in parcels and retail, as it had in the past.

Federal News Radio: What if you could sign up for Social Security at Sears? Wouldn't it be handy to file your taxes at the nearest Walmart? Instead of driving many miles to a VA hospital, wouldn't it be easier and less stressful (and according to some congressional Republicans, safer) to pop into your local 24/7 Doc-In-A-Box for treatment and meds? How about Walgreens, CVS or Rite-Aide for all your visa and passport needs? If more federal services were farmed out, think of all the time you would save by getting them from the private sector. And the financial savings to the government. Couldn't a temporary nonfederal minimum-wage, high-turnover clerk process your passport or Social Security benefits (and ID information) as easily as a much higher-paid sworn federal civil servant at SSA or the State Department. All they would need is the same forms State uses with all your vital stats, SS number, etc., and bingo, you've got a passport. And what could possibly go wrong, right? Just a thought. Actually the U.S. Postal Service wants to expand its services even as it cuts jobs, proposes closing community post offices and seeks to eliminate Saturday mail delivery. The plan would be to open up postal stations in popular Staples stores around the nation. People employed by Staples, not the U.S. government, would sell stamps, handle package, sort mail, etc. Because the Postal Service likely pays more (as in a lot more) than the giant retailer, the taxpayers would save a bundle. And again, what could go wrong?

# From the Federal Register: Postal Service NOTICES Meetings; Sunshine Act, 26785 [2014–10865] [TEXT] [PDF]

**CBSChicago**: Regular mail delivery is taken for granted by most people, but now there's been a growing chorus of complaints from residential neighborhoods across the city to businesses in the Loop. The CBS 2 investigators learned some of the mail mess has been caused by a huge turnover in staff, from managers to mail carriers, inadequate training and a customer service operation that seems to be unresponsive to complaints.

Wired: Amazon is expanding its effort to remake the U.S. Postal Service as its very own courier. On Thursday, the online retailer said it will now offer Sunday deliveries through the post office in more than a dozen new cities, up from just two when this unique partnership started last year. If you're an Amazon customer, Sunday delivery may seem like a small extra perk. But the service means a lot to Amazon. Walmart and Target are open all weekend, after all. More than just competing one extra day, however, Amazon's deal with the Postal Service speaks to the online retailer's desire be everywhere, all the time, not just online, but also off. Perhaps Amazon can get closer to this ubiquity by riding along with the people who are already going to your door daily.

Bloomberg Businessweek: Now that FedEx has announced it will charge extra for larger packages, the cheap delivery that has become standard for online shopping is coming to an end, right? That's what shipping pundits would have us believe. They note that FedEx and UPS (UPS) always move in lockstep on pricing. "It's almost a foregone conclusion," Rob Martinez, president of shipping strategy consultant Shipware, told the Wall Street Journal. "They have a history of hitting each other like prizefighters back and forth." But what if that's not the case this time? UPS always has its eye on FedEx. Then again, it also has to worry about Amazon.com, which is increasingly driving the online-shipping business. The e-commerce giant is no longer simply a user of FedEx and UPS—it has become a competitor, too. The USPS, by the way, says it has no plans to adopt "dimensional" pricing now favored by FedEx, in which the packages are assessed by size and not just weight.

**Brookings Institution**: I've been working on issues around natural disasters for a number of years now, but I confess that I'd never given much thought to post offices and disasters. That changed this week when I met with Flori McClung, who works with the U.S. Postal Service on international issues and is supporting the Universal Postal Union's (UPU) efforts to grapple with the issue of disaster risk reduction. "There are over 30,000 post offices in the U.S.," Ms. McClung said, pointing out that in small remote communities, post offices may be the closest and

most visible agents of the government, "and in many parts of the world as in the U.S., people have trust in the post office, perhaps more than in other governmental agencies." After a disaster, when the post office resumes operations, it is a clear signal that government is getting back to normal and that infrastructure is once again functioning. The U.S. Postal Service has over 600,000 employees and there are some 6 million people worldwide who work for national postal services – that is a resource which can be used in preparing for, responding to and recovering from disasters. And there is a clear international dimension. "In some ways," Ms. McClung said, "the post is like a big family." The Universal Postal Union, for example, has a solidarity fund which it can use to support post offices in other countries when disasters hit.

Yuma News Now: Caliper is excited to announce a new Canada Data Package! The product includes a wealth of data and functionality not available in any other software. The Canada data includes an up-to-date street layer with address data for geocoding and travel time information for computing routes and travel-time rings. Also included are building footprints for many urban locations, railroads, and comprehensive named landmarks that range from public facilities to commercial buildings including shops, restaurants, and retail stores. Also new for 2014 is a postal code point layer with 852,781 records of six-character postal code locations.

#### May 8, 2014

Mobile Storm: It's been dying for close to a decade now. But yet it still lives. Like cockroaches, Twinkies, and Cher, email marketing just can't be stopped and will probably persist forever. And with good reason. Incredibly, email marketing still has an ROI that consistently ranks very, very high when compared to other marketing tactics. Already in 2014 it's reported that total sales from email are at 23% for most companies, an increase from 18% just last year. While digital channels keep sprouting like weeds, email has remained in the background as a reliable touch point for marketers, always there to help them engage further with customers. And, as always, it's evolving along with the every evolving digital technology.

**Yahoo!**: Advertising once supplied the information people need to make intelligent purchase decisions. Today, people go to Google and other online search engines to find background data on the items they want to buy. Smart companies do not simply transfer their traditional promotional approaches to the web. They understand that the Internet is not a "one-to-many broadcast tool," that is to say, a megaphone. Companies using a megaphone approach on their websites drive visitors away. An astute firm wants its website to act as a "hub," where individuals who share the same interests (such as a focus on your products or services) form communities and connect with one another.

**■**Grayhair Software: At GrayHair, we have been the last combatant standing in the mailing industry's epic battle against a patent troll. After almost two years, we can now move forward in the use of the Intelligent Mail® barcode (IMb<sup>TM</sup>) and can provide risk-free mail processing to our current and future clients. This agreement also indemnifies GrayHair's clients against future claims of patent infringement. This is a result of our uncompromising stance and powerful legal arguments, We became the patent troll's most stalwart opponent when two significant lawsuits stunned the mailing industry. The suits targeted well-known, reputable mail service providers, claiming infringement on patents applying to "generating, storing and processing mail identification data." This refers to marks on a mailpiece (such as a QR code, an Intelligent Mail barcode or perhaps any future mail-enhancing technology) that link information from the barcode to a database for tracking purposes. Everyone at GrayHair is as jubilant as they are relieved to announce that, going forward, all our clients are protected from the patent troll threats. We have successfully defended our values and secured permanent protection for all of our clients.

Direct Marketing News: Rep. Darrell Issa (R-CA) postponed a meeting of his Committee on Oversight and Government Reform yesterday because he failed to hear from Democratic members on their willingness to fashion a compromise postal reform bill incorporating proposals from the Obama Administration.

Save the Post Office: It looks like the folks in L'Enfant Plaza will be the last to acknowledge what everyone else in the country already knows — customer service at the Postal Service is going way down hill, and fast. The plant consolidations have resulted in delayed mail, late delivery, and countless other service problems. Under POStPlan, service has declined due to reducing hours at post offices and replacing experienced postmasters with poorly trained and underpaid personnel. The shift from door and curb delivery to cluster boxes has confused and angered thousands

of customers. When customers try calling to complain, they can't even get hold of their local post office. Everyday there are news reports about such problems. Postal officials say they're just trying to make the system more "efficient" and to act "like a business," but what they're doing is taking the "service" out of Postal Service. When they're done, we're going to end up with a United State Postal Corporation, and customer service is not going to be high on the agenda. Much of the problem has to do with the way policies and initiatives that come out of postal headquarters get interpreted in the field. As much as the Postal Service is a top-down autocracy that tries to micromanage everything, many senior and mid-level managers at the district and local level can get quite creative about how they understand directives from above. In their zeal to please their superiors, employees can end up interpreting policies and regulations in ways that make very little sense.

Postal Technology International: Nominations for the Postal Technology International Awards 2014 have opened. The awards are designed to recognize 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 Innovation of the Year; Parcel Handling Innovation of the Year; Digital Innovation of the Year; Environmental Achievement of the Year; Last Mile Delivery Innovation of the Year; Business Development Innovation of the Year; Service Provider of the Year; and Supplier of the Year. You can get more information on each category on the Postal Technology International web site.

Warsaw Business Journal: InPost, part of the Integer.pl Capital Group and which owns the world's largest network of parcel lockers, has teamed up with Aramex Group, a leading logistics company in the Middle East, to expand its network in Africa, InPost CEO Rafał Brzoska announced that the companies are to create the first transborder network of parcel lockers in Africa, which will come online towards the end of 2014. "Aramex's key advantage is its deep knowledge of the Middle East and African markets, and as such is a natural partner of the development of InPost parcel lockers in these regions," Brzoska wrote in a press statement. "The cooperation is confirmation that we see the potential for e-commerce in the Middle East," he continued.

**I**<u>Irish Times</u>: Staff at An Post and Eircom are to seek pay rises of 6 per cent, one of the largest percentage increases to be sought in the current series of claims being lodged by trade unions following several years of pay freezes and cuts for many workers. Details of the 6 per cent pay claim emerged yesterday at the delegate conference of the Communications Workers' Union (CWU) which represents 8,500 members in An Post and 3,500 in eircom. A spokesman for the CWU said that staff in eircom had had an effective 10 per cent pay cut through the introduction of 9- day fortnight while employees in An Post had had a pay freeze.

**KUAM**: The blame game heats up as island leaders are looking to what started the postal nightmare weeks ago when residents and businesses began complaining they weren't receiving mail. While frustrations grow, mail continues to go undelivered.

**PRWeb**: Advertising Age has recognized SourceLink, an industry-leading multichannel marketing services firm and statement solutions provider, for the eighth consecutive year as a Top 20 marketing services agency. Final results were released in the April 2014 issue of Advertising Age, and SourceLink ranked sixteenth in the U.S. CRM/Direct Marketing Agency category. SourceLinks continued investments in business intelligence, print technology and database design and build provide an ideal solutions palette for financial institutions, healthcare companies, energy marketers, insurance providers and retailers alike. Data-based marketing offerings paired with an industry leading Customer Intelligence department bring a higher return on marketing investment for SourceLinks clients. Continued investments in print technology and postal frameworks provide an ideal platform for document and statement providers, as well.

Yemen News Agency: General director of the General Authority for Post and Postal Savings Abdul Hamid Mana al-Subh has discussed with the World Bank (WB)'s delegation aspects related to developing financial and postal services . This came at the nine-day visit of the WB's delegation to the authority aiming to discussing several issues, topped by the mechanism of developing the Yemeni postal services in order to benefit from the international experience in that field.

Heritage Foundation: Unquestionably, the U.S. Postal Service must start acting like a business—and, as such, its decision to refuse to partner with start-up Outbox was a smart business call. the whole plan depended on USPS' cooperation, giving Outbox access to its customers' mail at convenient locations. USPS said no. Outbox gamely tried to make the service work anyway, hiring what it called "unpostmen" to retrieve mail from customers' mail boxes to be scanned and e-mailed back. But this failed, and the firm closed earlier this year. With a flurry of media last week, Baehr and Davis blamed their failure on the Postal Service's management. Although the Postal Service is no paragon of free-market virtue, it's not the villain here.

■Investments & Pensions: The €6.3bn pension fund PostNL is to split into two schemes – one for the postal service and a new one for packet delivery firm TNT Express. The development follows a new pension plan for workers of PostNL – in force since last January – which differs greatly from the pension arrangements for TNT Express employees. The pension fund said a single scheme could no longer provide both plans.

Post & Parcel: Finland's national postal operator Itella Group is to merge its post and logistics businesses as part of its cost-cutting plans. tella said that in simplifying group structure, not only would admin costs be reduced, but customer focus would also improve.

BusinessWire: Amazon.com, Inc. announced today that customers in 15 additional cities are eligible for Sunday delivery. Amazon and the U.S. Postal Service plan to continue to roll out Sunday delivery to a large portion of the U.S. population this year.



<u>Dead Tree Edition</u>: Pundits and industry suppliers keep proclaiming the inevitable dominance of the magazine app and the Second Coming of Steve Jobs, but most publishers have moved on. Their thought leaders and business-development resources are now focused mostly on the Web – and occasionally, God forbid, on print.

**Bloomberg**: United Parcel Service Inc. (UPS) may find find FedEx Corp. (FDX)'s new pricing rules too tempting to pass up. As FedEx prepares to start charging for ground-shipped packages by size, not just weight, the promise of \$350 million in extra revenue could be "compelling" enough to spur UPS to copy that approach, said Kevin Sterling, a BB&T Capital Markets analyst. UPS said it's "continually" evaluating its policies.

<u>USPS Blog</u>: Is the U.S. Senate trying to give the Postal Service<sup>TM</sup> "unchecked, unprecedented power to charge Americans whatever it wants for its services?"No, of course not.But a trade group for the magazine industry made this assertion in a recent newspaper opinion piece.Let's not mince words: that assertion is wrong. [EdNote: Who the hell do you think you're kidding. The Postal Service MOST DEFINITELY is seeking virtually uncontrolled postal pricing authority. Read the Senate bill. Only someone with alexia would conclude otherwise. Looks as if the Postal Service has decided to try to blogroll the public.]

Business Today: The Memphis-headquartered global courier delivery services company, FedEx Corp., on Wednesday announced the successful integration of its acquired Indian logistics companies AFL Pvt. Ltd and Unifreight India Pvt. Ltd, which will help it strengthen its domestic services. FedEx Express acquired the logistics, distribution and express businesses of AFL Pvt Limited and its affiliate, Unifreight India Pvt. Ltd, in 2011. With the tie-ups, FedEx said it has expanded its services coverage from 4,000 postal codes to over 19,000 in India.

Pressroom: UPS is partnering with some of its small business customers to share their stories and support the growth of their businesses for Mother's Day and Small Business Week. Accounting for roughly 46 percent of the private gross domestic product (GDP)1, small businesses are strong drivers of the U.S. economy, and UPS is committed to supporting this growing community.

**Postalnews Blog**: Australia Post chairman John Stanhope said a user-pays postal system was a viable option after the company's letter operations -suffered a \$218 million loss last year because the public had sent fewer letters than ever. The user-pays model means residents would pay an annual bill in addition to the stamp price, which increased from 60¢ to 70¢ in March. "If you want it fast, you pay for it," Mr Stanhope said.

**Government Executive:** Postal reform hit yet another snag on Wednesday after a scheduled House committee vote on a new piece of legislation was postponed due to a lack of bipartisan support. A Democratic committee staffer told Government Executive Cummings would not support the bill. "Cummings appreciates the commitment of the administration to the goal of comprehensive postal reform," the staffer said, "but he cannot support this legislation because, among other provisions, it would reduce the frequency of first-class mail delivery in the United States, while raising the costs of this service." Obama's proposal would eliminate mail delivery on Saturdays, but the staffer said "there is widespread, bipartisan opposition to cutting mail delivery to just five days per week." Becca Watkins, a spokeswoman for Issa, said the chairman's offering of the White House plan "represents an extraordinary effort to build bipartisan ground." "The chairman intends to bring the president's proposal before the committee at a date to be determined," Watkins said.

Federal News Radio: An aging workforce and how to backfill retirements is a common issue for agencies across government. The Postal Service has developed the Corporate Succession Planning Program to cultivate executives who can move into the leadership positions that open when employees retire. Lori Nelson, director in the Postal Service Office of Inspector General' Office of Audit, tells In Depth with Francis Rose the demographic problem the Postal Service faces.

Wall Street Journal: FedEx Corp. is changing the way it charges to ship bulky packages, jolting e-commerce companies with price increases for delivering items as diverse as diapers, shoes and paper towels. Instead of charging by weight alone, all ground packages will now be priced according to size. In effect, that will mean a price increase on more than a third of its U.S. ground shipments. The big question now is whether United Parcel Service Inc. UPS will follow the pricing move. Many analysts think it will.

At the Postal Regulatory Commission: Docket No. MT2011-2 "The Postal Service has undertaken several measures in an effort to draw conclusions concerning the transaction costs associated with selling gift cards. Various proxies have been researched and investigated; so far none of them has proven to be closely related to the activities of selling gift cards. The Postal Service also has attempted to study window transaction activities for selling gift cards. Even during the holiday season, it was difficult to find and measure gift card window transactions, because, with an average of fewer than 2 cards sold per week per location, they were spread among many retail locations. The market test has helped to illuminate the gift cards sales process. But the test has been inconclusive with regard to determining whether the product is covering its costs."

**CNN**: Jet magazine will stop publishing a print edition and switch to a digital format in June, the magazine's publisher announced. It's not the first magazine to shift its focus to the online market. Newsweek ended its print edition in 2012, but returned to newsstands this year. In December, New York magazine announced it was scaling back publication of its print edition to a biweekly format. "As long as the (publishing) business model in the United States is based on revenues from advertising and not on circulation, we are going to see more decisions as such," Samir Husni, a professor at the University of Mississippi who directs its Magazine Innovation Center, told CNN last year. While readers increasingly gravitate toward electronic versions of magazines on tablets and phones, magazines in print are increasingly "collector's items," Husni said.

## May 7, 2014

We Today's scheduled markup of postal reform before the House Oversight and Government Reform Committee has been cancelled.

Wall Street Journal: Hewlett-Packard Co. said it is investing more than \$1 billion over the next two years to develop cloud-computing software and tools, a move it considers necessary to ward off competition even if it means cannibalizing its legacy hardware and software businesses. [EdNote: Okay, okay. I have to say it. "The Postal Service already has spent its billion in the fog when it comes to processing flats. But.......fl The sun'll come out tomorrow. Bet your bottom dollar, that tomorrow, there'll be sun......fl]



Don't be stunat. Wise up and get yourself some postal respect. Join PostCom!

Bangor Daily News: In the online shopping world of endless options, seamless search and easy e-payments, the delivery of the item to your door remains the one tangible part of a virtual experience. It's an important step, that last mile, when a few clicks materialize into that latest iPhone or new dresser or box of kale and quinoa. As a timid online shopper, when I buy online, the "when" and "how" are just as important as the "what." Historically, the United Parcel Service, FedEx and the U.S. Postal Service have carried most of the weight of the delivery process. Now, the tech giants want in. Google announced Monday it is expanding its same-day deliveries, following Amazon's increased development of a similar service. Conquering home delivery has been compared to achieving the "Holy Grail of e-commerce." Disrupting the delivery process offers these tech companies a way to attain total domination of the shopping experience, and it almost certainly will be a good thing for consumers, too. [EdNote: No one has ever really found the real Holy Grail. Chances are they won't find this one either.]

Post & Parcel: Brazil Post unveiled its new brand yesterday, as part of the state-owned company's continuing modernisation effort. Brazil's communications minister Paulo Bernardo helped launch the new look at an event in Brasilia, along with postal workers and national sporting heroes. The minister said: "We want this company to continue transforming and reinvigorating, and we have numerous projects that, in these next few years, will give the company a stronger presence in the economy and in Brazilian life." The new brand keeps Brazil Post's yellow and blue colours, along with the familiar "Correios" name, opting for a new font and a logo that uses arrows pointing left and right.

Lirish Times: The Communications Workers' Union (CWU) is to seek a 6 per cent across-the-board pay increase for its members. Speaking at the delegate conference of the CWU in Killarney, its president Cormac O'Dalaigh said his members would not accept tax cuts as a substitute for pay rises. He said CWU was targeting pay 'across-theboard' rises of 6 per cent for workers in the postal courier, telecom, call centre and e-communications sectors He said ordinary workers who had not received wage increases "since the banker and corporate greed-led financial implosion of 2008 would not be fooled by moves dictated by right wing orthodoxy that invariably favours the wealthy".

# Office of the Inspector General: "Postal Service Retirement Benefits Benchmarking -- A White Paper"

KUAM: The United States Postal Service wants to set the record straight for postal customers with home delivery. The confusion was a result of the issuance of letters from the department to island residents notifying them of their correct location addresses. According to USPS corporate communications specialist Duke Gonzales they are aware that some customers who received address notifications are seeing villages attached to their addresses that they do not identify with as their home village. As we reported many villages seem to have been eliminated such as Sinajana which is now classified as Hagatna while Piti is now Santa Rita. Mayor Robert Hoffman says this was attributed to maps received from Public Works but the agency's director Carl Dominguez says he and his staff are puzzled by this and wants proof that they provided documentation.

**New York Daily News**: This case was all in the wrist. The feds allege a Bronx postal service worker lifted weights and boxed to stay in shape while raking in \$400,000 in benefits on a bogus carpal-tunnel syndrome disability claim. Shonta Holmes, 44, was one of 11 federal employees charged Tuesday in Manhattan Federal Court with bilking taxpayers out of millions of dollars based on phony occupational injuries. Prosecutors say Holmes stopped working in 2012 but was seen doing bicep curls and pummeling a punching bag.



**FeeEx** Post & Parcel: FedEx Express has reached a significant milestone in its European growth programme – which has involved business expansion and acquisitions and started in October 2011 – by opening its

100th new station in Seville, southern Spain. Reaching this milestone means that FedEx opened the equivalent of nearly one new station per week over the last 30 months. As a result of the FedEx growth programme, over 3,600 team members have been added across Europe and intra-country services have been rolled out in 13 countries. The landmark announcement comes as FedEx unveils phase two of its business plan for Europe.

**New Era**: FedEx Corp announced yesterday that its FedEx Express subsidiary acquired Supaswift businesses in Namibia and six other countries, namely Botswana, Malawi, Mozambique, South Africa, Swaziland and Zambia. These acquisitions represent the latest step in the company's strategy to grow its African network and service offering. FedEx Express now has direct access across the seven countries to 40 facilities and over 1 000 team members, who join the ranks of more than 300 000 FedEx team members globally. As of today, FedEx Express is offering a complete suite of export, import and domestic solutions across Southern Africa, connecting the region to more than 220 countries and territories worldwide, enhancing customers' business flexibility and speed to market.

**Toronto Star:** At a workshop nearly two weeks ago, members of the Canadian Union of Postal Workers (CUPW) suggested letting the post office provide banking services through its 6,500 retail offices Oh, great. Now instead of waiting at the corner drugstore to pick up a parcel while standing behind someone fishing through a coin purse and discussing with the clerk whether to spend the extra \$2.75 for express delivery of a niece's birthday present, we'll also have to stand behind people cashing cheques, inquiring about their account balances, buying insurance or making a contribution to their RSPs. No thanks. The postal banking proposal is nothing more than a desperate attempt to preserve union jobs from the inevitable – a dissolution of Canada Post sometime in the next decade or two.

**Postalnews Blog:** Preet Bharara, the United States Attorney for the Southern District of New York, Rafael A. Medina, the Special Agent-in-Charge of United States Postal Service, Office of Inspector General ("USPS-OIG"), and Cheryl Garcia, Acting Special Agent-in-Charge of the United States Department of Labor, Office of Inspector General ("DOL-OIG"), Office of Labor Racketeering and Fraud Investigations, today announced charges against 11 defendants for defrauding the Department of Labor's federal workers' compensation benefits program by claiming to be injured or disabled so that they could claim benefits to which they were not entitled. In addition, certain of the defendants failed to report income that they earned from other businesses they were running while allegedly too disabled to return to their federal employment. The 11 defendants include 10 United States Postal Service employees.

Washington Times: The U.S. Postal Service is in precarious shape. The postmaster general and his leadership team have been commissioned to give Congress and the public the assurance that they're doing something to correct a culture of waste and mismanagement and to put the agency on a new track. It's not working. Asking a government agency to perform to the standards of a private business is asking a lot, but the Postal Service must try a little harder unless it expects Congress to bail it out again and again. The postman always rings twice, but Congress has heard the doorbell more often than that. One of these days there won't be anyone in the House (or the Senate, either) when the doorbell rings.

The presidents of the four postal employee unions – the APWU, the National Association of Letter Carriers, the National Rural Letter Carriers Association and the NPMHU – have written to members of the House of Representatives, urging them to vote against a postal bill drafted by House Oversight and Government Reform Committee Chairman Darrell Issa (R-CA). The bill is scheduled for consideration by the committee on Wednesday, May 7. "We write on behalf of nearly 500,000 postal employees who live and work in every Congressional District in America to urge you to oppose the so-called 'Administration's Postal Reform Act of 2014," the presidents wrote. "If you serve on the Oversight and Government Reform (OGR) Committee, we ask that you vote against the legislation on Wednesday. If you do not serve on the committee, we urge you to express your opposition to the bill." "The legislation drastically reduces service," said APWU President Mark Dimondstein. "It ends Saturday mail delivery and promotes contracting out of retail services -- including in outside retail establishments. It fails to protect service standards, and fails to address in any meaningful way the cause of the Postal Service's manufactured financial crisis," he said. "Our organizations are committed to working with leaders in both parties to strengthen the Postal Service," the letter says.

"Unfortunately, the bill before the OGR Committee on Wednesday would severely weaken it. We urge your strong opposition."

**PRWeb**: Datalogic S.p.A. (Borsa Italiana S.p.A.: DAL), a global leader in Automatic Data Capture and Industrial Automation, reinforced its dominant position in the Transportation & Logistics (T&L) market with an innovative installation of imager solutions at the new DHL Express Logistics' hub in Bologna (Italy). The imager based solutions complete Datalogic's presence in all of DHL's bases in Italy. Tested reliability at the DHL Carpiano (Italy) facility as well as the 20+ year long-standing relationship with DHL proved to be the winning components on this competitive contract. Datalogic's solution combining image based bar code readers and parcel condition assessment provides more accurate tracking, meeting present and future automation demands.

EChico Enterprise-Record: The U.S. Postal Service stopped delivery to 35 households in a neighborhood near the Chico library because the carrier on that route felt threatened by a German shepherd. The fear certainly sounds justified. The local postmaster reported that the dog never bit the carrier, but it did jump through a glass window and charged the carrier. The postmaster said the window hasn't been replaced, and the dog has jumped through the cardboard that is placed there, to again menace the postal carrier. The federal says the dog owner has not been responsive or helpful, so we certainly understand why the Postal Service has cut delivery to that one house. But to end service for the entire route, especially without telling any of the other customers, seems like a grave overreaction. The customers are owed an explanation. They got one last week, through this newspaper, that the postal carrier used to park in front of the house in question and now can't, so delivery throughout the neighborhood stopped. Huh? So the carrier can't park two houses down and deliver to everyone else?

**EXSHB:** Some in Kansas City will now head to the library to get their mail. On Tuesday, the postal service opened two new Village Post Offices. One is in the Northeast Branch Public Library near Wilson and White Avenue. The other is at the Lucile H. Bluford branch at 30th and Prospect Avenue. The offices offer the same services as traditional post offices-- including P.O. boxes, stamps and a mail collection box.

#### May 6, 2014

**Postalnews Blog:** While we hope to celebrate the positive contributions of the circus, the Postal Service respects the rights of the People for the Ethical Treatment of Animals PETA and supports their worthy causes to ensure ethical and humane treatment of animals. Just a few years ago, the Postal Service worked together with the Humane Society of America, Petfinder.com and the American Humane Association to release The Animal Rescue: Adopt a Shelter Pet commemorative stamps to raise awareness of the importance of adopting companion animals from shelters to help prevent the senseless euthanizing of millions of animals every year. The Postal Service is always seeking strong ideas for stamps that may prove popular with the public, and we are committed to topics that promote the well-being and humane treatment of all animals.

Blackburn News: The President of Canada's Union for Postal Workers in London is going door-to-door in an effort to save that exact service. CUPW Local 566 Dean Woronoski is behind the "Save Canada Post" campaign to raise awareness about what will happen to the national service in London if the **doop-to-doop** company gets their way. He says the campaign is happening nationwide. Some communities across Canada are staging walks with their letter carriers to demonstrate public opposition to cuts to door-to-door delivery. There are no



SaveCanadaPost.ca

walks scheduled for London, but Local 566 is hoping to continue to inform people about the planned changes through lawns signs and front-door discussion.

The Guardian: Royal Mail has scrapped plans to increase its chief executive, Moya Greene's pay, after business secretary Vince Cable put pressure on the board over the proposed rise.

House Committee on Oversight and Government Reform: Full Committee Business Meeting Legislation Considered: On Wednesday, May 7, 2014, at 2:00 p.m., in room 2154 Rayburn House Office Building, the Committee on Oversight and Government Reform will hold a Business Meeting to consider the following: H.R. , the Administration's Postal Reform Act of 2014. This bill would enact all reforms proposed by President Obama in the President's Budget for Fiscal Year 2015 for the United States Postal Service.



We just have to stick it to the mailers with a built-in exigency."



Shelter Island Reporter: A year after a United States Postal Service official promised Shelter Islanders better mail delivery, and more than a year since the Reporter brought the issue to light, there has been little improvement.

Sen. Thomas Carper (D-DE): Senator Tom Carper (D-Del.), Chairman of the Homeland Security and Governmental Affairs Committee, announced that Gabrielle Batkin has joined the committee as staff director, effective today. Batkin joins the committee after having worked in the Senate for nearly two decades.



The latest congressional proposal on Postal Reform: Hey, it's an election year! So....''Don't screw you. Don't screw me. Screw the anonymous mailer behind the tree.'' After all, they don't vote.....What's that you say? They DO vote? Hmmmm. Maybe this evisited

# one should be revisited.

**BringMeTheNews**: Office Depot announced that it will close at least 400 U.S. stores over the next two years. Reuters reported the company would shutter 150 outlets this year; it closed 14 stores in the first quarter. The company has not said where the cuts will come. Office Depot operates nine stores in Minnesota, including outlets in Minneapolis, Coon Rapids, Minnetonka, Burnsville and St. Cloud. The store closures are a part of the company's

plan to consolidate operations after the \$1.2 billion acquisition of OfficeMax in November.



Congressional ''bipartisanship''on postal reform.



Invezz: The culture-clash between the British government's stance on executive pay and the bosses of companies the government has a major stake in has again raised its head over the remuneration package of Royal Mail chief executive Moya Greene. Royal Bank of Scotland chief Ross McEwan's used the occasion of the bank's positive Q1 results at the end of last week to suggest the government, which owns 81% of the bank after a 2008 bailout, was

threatening RBS' recovery by blocking his proposal to break with the EU bonus caps, risking the loss of top performing management. This time Royal Mail chairman Donald Brydon had wanted to improve the salary and bonuses of Greene, who oversaw the company's IPO last year, on the basis that as the lowest paid CEO of a FTSE 100 company she may otherwise be coaxed away. Brydon's statement that "I think it's only fair to pay Moya the right market rate for her job," left little room for doubt as to what he thought of the Royal Mail's remuneration committee to not propose either a base pay increase of new incentive scheme for the CEO.

**Romania-Insider**: Romanian Post workers will organize a four-day strike starting Wednesday, May 7, when they are expected to protest outside prefect offices across Romania, as well as in Bucharest outside the Romanian Post headquarters. Postal workers want the Romanian Post management to be sacked, as well as a salary rise of 20 percent, paid overtime, new uniforms and hiring new staff for vacated jobs.



Wall Street Journal: In the hard-fought world of online retail, Wal-Mart has finally notched a win against rival Amazon: For the first time in a decade Wal-Mart's Web sales grew faster than the online retailing giant's.

GhanaWeb: The Daily Express has gathered that contrary to the general perception that the advent of modern instantaneous means of communication has killed the post office business, the post office letter boxes are still in demand, officials have stated. Mr. Ekow Paintsil, the Public Relations Officer (PRO) of the Ghana Post told this paper that their post boxes are in high demand because a lot of individuals and companies in the country have applied to own one for themselves. He added that the number of requests is increasing by the day particularly in areas like Accra and the major cities around the country. He noted that although the volume of parcels has reduced drastically over the last few years, the demand for the boxes is rising. "The world over volume of parcels has reduced, and it is not Ghana alone experiencing this challenge," he added.

Post & Parcel: Moving from six to five days of delivery per week has helped profits surge at the Dutch postal service, PostNL. The company currently attempting to give Royal Mail a challenge in the UK, through its TNT Post UK unit, is contending with an 11.5% annual drop in addressed mail volume as customers switch to electronic alternatives. See also <u>DutchNews</u>.

**Toronto Star:** Canadian public policies are to blame for much of the difference in prices between Canada and the U.S., says a paper published by the C.D. Howe Institute. The study, by University of Toronto economist Nicolas Li, says that wholesale price differences are more to blame than retail mark-ups for the price gap. But the gap could be shrunk if Canada scrapped tariffs and the supply management system in agriculture, the paper says. It should also increase the duty-free exemption for travelers, and for postal shipments, it says.



<u>KSDK</u>: he biggest one-day food drive in the country happens on Saturday. The National Association of Letter Carriers will collect canned goods as it delivers your mail on Saturday. More than 1,500 branches of the U.S. Postal Service will participate. Last year, 74 million pounds of food were collected! But to make it happen, they need you to leave canned goods on the doorstep.

Office of the Inspector General: Putting the Success in Corporate Succession The U.S. Postal Service's workforce demographics add an extra layer of challenges to an organization that already has plenty. We recently blogged about the Postal Service's brain drain – the loss of institutional knowledge due to a large number of workers retiring. This week we look at the additional challenge of creating a robust corporate succession plan when nearly half of the Postal Service's executives will be eligible to retire by 2015.

#### May 5, 2014

**DMM Advisory:** May DMM Update Postal Explorer® (<u>pe.usps.com</u>) is your source for up-to-date mailing standards. The Domestic Mail Manual (DMM®) is fully searchable on Postal Explorer and features fly-out

menus, cross-reference links, and an extensive subject index. Today we updated our mailing standards to include the following changes:

- Qualified Business Reply Mail—Revised PS Form 6805 We revised <u>505.1.0</u> to expand the use of PS Form 6805, Qualified Business Reply Mail<sup>TM</sup> (QBRM) Application, to include Business Reply Mail<sup>®</sup> (BRM) ZIP+4<sup>®</sup> Code assignments and validations. We published this information in the April 3, 2014, Postal Bulletin.
- **Inclusion of "Diplomatic Post Office (DPO)" for Mail Balloting Materials** We revised <u>703.8.2.2</u> to clarify that eligible balloting materials may be mailed without prepayment of postage when deposited at a Diplomatic Post Office (DPO). We published this information in the April 17, 2014, Postal Bulletin.
- Inclusion of "Diplomatic Post Office (DPO)" When Sending Hazardous, Restricted, or Perishable Materials We revised 703.2.3.1 to clarify that hazardous, restricted, or perishable materials mailed to, from, and between Diplomatic Post Offices are subject to the conditions of International Mail Manual (IMM®) 130; the standards in DMM 601; Publication 52, Hazardous, Restricted, and Perishable Mail; and conditions prescribed by the Department of Defense (DOD), as listed in "Overseas Military/Diplomatic Mail" section of the Postal Bulletin. We published this information in the April 17, 2014, Postal Bulletin. Our next scheduled DMM update is June 2, 2014.

# The Coalition for a<br/>21st CENTURY<br/>Postal ServicePress Release: The Coalition for a 21st Century Postal Service (C21) today voiced<br/>its opposition to House postal reform legislation that is currently scheduled to be<br/>marked-up this Wednesday by the House Government Reform & Oversight<br/>Committee. The bill, sponsored by Chairman Darrell Issa, includes language that

would take the Postal Service's recent exigency rate increase and make it permanent. C21 represents the \$1.3 trillion private-sector mailing industry, which employs 7.8 million Americans. "Increasing postage rates would undo most of the progress that has been made so far in reforming the Postal Service," said Art Sackler, co-manager of C21. "The center of any postal reform effort should be making the mail more attractive to businesses, but permanently raising postage rates would turn away more current and potential customers." This year, the Postal Service was granted the authority to make a temporary exigency rate increase of 4.3%. Chairman Issa's bill, as currently drafted, would make that increase permanent. "The business community is disappointed that Chairman Issa and his committee might proceed with these postage rate increases. The last thing a struggling business should do is increase prices and decrease service, yet that appears to be what the House is proposing for the Postal Service, which will only hasten its decline." said Sackler.



<u>Postalnews Blog</u>: In response to the U.S. Postal Service's (USPS) new Ringling Bros.-themed circus stamps, PETA has formally asked the agency to create a sister series of stamps to show the public what life is really like for elephants in the circus. (Artwork can be seen on the left.) PETA's stamps feature photographs of trainers in Ringling's Polk City facility as they stretch out baby elephants and gouge them with sharp weapons in order to teach them to obey or else suffer the consequences. http://www.prnewswire.com/news-releases/us-postal-service-

brings-wonder-and-amazement-to-town-with-new-limited-edition-vintage-circus-posters-forever-stamps-257951021.html?

Financial Times: Italian state-owned shipbuilder Fincantieri will apply to list in Milan as early as Tuesday, firing the starting gun for what officials predict will be Italy's largest privatisation programme since the 1990s, with a plan to raise €12bn. Matteo Renzi, Italy's prime minister, has stuck to privatisation targets unveiled by his predecessor Enrico Letta in January, unveiling a programme to reduce Italy's public debt of more than €2tn for the first time in six years. Following the listing of Fincantieri, the government aims to sell 40 per cent of postal services operator Poste Italiane.

PanAmPost: Canada Post has "recognized the urgent need for fundamental changes in order to secure the future of the postal service for Canadians," and released the Five-Point Action Plan in December of 2013. If the plan is

successful, the Post believes that it will add \$700-900 million per year to the company. In the meantime, the Post has sold corporate real estate to generate revenue. The sale of the Vancouver Mail Processing Plant alone brought in \$109 million. After such sales, the Post reported a before tax loss of \$125 million.

**CTV** News: Canada Post Corp. lost \$29 million last year, compared with a loss of \$83 million in 2012, helped by the sale of its plant in downtown Vancouver. Revenue for the Crown corporation, which includes the Canada Post mail and parcel delivery segment, along with majority-owned subsidiaries Purolator, SCI Group and Innovapost, totalled \$7.56 billion in sales compared with a loss of \$83 million on \$7.52 billion in sales in 2012. Canada Post is in the midst of a massive reorganization including a move to end door-to-door delivery of the mail. The Canada Post mail and parcel business had a loss before tax of \$125 million for 2013 on \$5.88 billion in revenue. That compared with a loss before tax of \$136 million on \$5.87 billion in revenue in 2012. The company said the results came as mail volumes continued to slide, but parcel revenue and volumes grew compared with a year ago. Parcel revenue was up 7.2 per cent, while parcel volume increased by five per cent.

**Oregonian**: It's an open question as to whether a massive bureaucracy like the Postal Service is culturally and operationally equipped to make the changes it must to flourish deep into the 21st century. Indeed, there are some indications that the agency resists innovation, rather than embraces it. But perhaps the situation isn't as dark as it appears. Perhaps there's still time, space and political will to reshape the institution established almost 240 years ago.

**Canada NewsWire**: The Canadian Union of Postal Workers (CUPW) is stepping up its campaign for better postal services and innovations such as postal banking in the wake of Canada Post's latest annual report. "Our postal system is a valuable public service available to all who live in this country and that's how it should stay. We need to believe in its future and help it grow, not kill another public service with cutbacks that will drive customers away," said Denis Lemelin, National President of CUPW.

TechInAsia: Anchanto, a Singapore-based startup, wants to take away the sting of running an online retailer. It does this by offering companies a platform to outsource their logistics for a fee. Its model is similar to Fulfillment by Amazon. Read more: Logistics-as-a-service startup raises money to deliver across Asia. The startup will use the funding to expand its warehouse capacity by eight times, with the ability to ship 4,000 orders a day in Singapore. It will also set up fulfillment operations in Kuala Lumpur, Jakarta, and Bangalore in the next six months. Read more: Logistics-as-a-service startup raises money to deliver across Asia <u>http://www.techinasia.com/logisticsasaservice-startup-raises-money-deliveries-asia/</u>

Ecderal Times: The Postal Service's improving financial situation is fueling a debate between the agency, lawmakers and unions over what kind of legislation is needed to save the struggling agency. At stake are billions of dollars, tens of thousands of jobs and the future of the agency. The debate centers on which income best represents the Postal Service's financial health: operating or net. The Postal Service is lobbying lawmakers for a major overhaul, including: removing the requirement that the Postal Service prefund 75 years of retiree health benefits in only about 10 years — to the tune of \$5.6 billion a year. USPS would also like the ability to end Saturday letter delivery, while expanding package delivery to the entire week and flexibility to change prices and add new products in the future while closing underused post offices. Finally, the service wants authorization to further reduce its workforce. Lawmakers are divided on postal legislation, but there is a growing consensus that the Postal Service cannot cut its way to growth by closing post offices or ending services, Rep. Gerry Connolly, D-Va., said. Legislation that would end the prefunding requirement would represent a "huge victory," but he said the Postal

Service is holding back that legislation by only supporting a major overhaul.



NAMMU Toronto Chapter Meeting Thursday, May 8, 2014 Networking Breakfast 8:00a.m. Program 9:00a.m. – 12:30p.m. Host: Davis + Henderson | 939 Eglinton Ave. East | M4G 4H1 -- ADDRESSED ADMAIL RE-ENGINEERING: What's New, What's Now, What's Next? Presenters: Josee Bergeron, Director Mail Delivery Products; Tanya

Vainet, Manager Product Development, Canada Post

**Direct** <u>Marketing News</u>: Following a successful San Francisco test of Google Shopping Express, Google today expands its same-day delivery service to Los Angeles and Manhattan.

Bloomberg: Canada Post Corp. Chief Executive Officer Deepak Chopra is betting services such as delivering packages to online shoppers will help make up for a decline in its traditional mail business. Chopra, who took over the money-losing Ottawa-based postal agency about three years ago, is testing services such as "Delivered Tonight" to capitalize on the surge in Internet-based retailing. He says he wants to return the government-owned agency to financial stability within five years. "We're moving from the letterbox to a cart," Chopra said in a May 1 interview at Bloomberg's Toronto office, referring to the way online shoppers keep purchases before having them shipped. "What's happening now is a bit of a race to reposition our business from letters to parcels."

**Iceland Review:** Drugs have been found in about 30 letters which were sent to Iceland so far this year. The use of the postal service to smuggle illegal drugs is a worsening problem, according to a senior director of the Icelandic Directorate of Customs. Customs officers have the right to open people's private mail. It is a well-known smuggling method to address letters and parcels to well-known individuals or businesses completely unconnected to drugs. The smugglers then ensure they get their hands on the items before they reach their stated recipient.

Quartz: It's no secret that the old-school providers of "snail mail" have been under siege in the internet era. The spread of e-mail, online advertising, online bill payment, and other digital communication tools have put a real dent in postal service revenues as people in many parts of the world have gradually stopped writing letters, stopped writing checks, stopped browsing through catalogs, and stopped heeding paper-based direct-mail marketing. + Instead of killing the post office, however, the internet is now offering opportunity. The rise of e-commerce and online shopping–especially cross-border online shopping–has the potential to generate huge new volumes of small parcels that postal services around the world are uniquely positioned to handle and deliver at low cost. Rather than falling into obsolescence, mail carriers stand to prosper if they can adapt quickly to meet the demands of this rapidly growing and evolving market. + The opportunity is clear. According to the World Trade Organization, cross-border online retail sales reached \$100 billion in 2013 and will continue to accelerate, driven by the rising ranks of consumers in the developing world, where people are discovering they can buy all manner of merchandise that is unavailable locally from a growing list of web retailers and online marketplaces that ship across borders direct to their doorsteps.

**Star-Telegram:** The U.S. Postal Service has embraced technology to improve service for western North Dakota's growing population. Technology improvements include Mobile Point of Sale devices at six locations and self-service kiosks. Other changes will include a new post office in Williston and higher wages to attract rural letter carriers "The growth in the area has a lot to do with it," Postal Service spokesman Pete Nowacki told The Bismarck Tribune (http://bit.ly/lhHHypB). "At the same time we have to look at what we do as a business. It's in our best interest as well to make transactions as easy as possible." Nowacki said the Mobile Point of Sale devices are like modified iPhones with printers attached. Postal Service employees can come out from behind the counter and help customers who only need simple services. "It gives our folks the opportunity to take simpler transactions out of the line," reducing wait times, Nowacki said. The devices can be used, for example, if people are there just to pick up a package or if they have pre-paid their postage and just need to drop a package off. "I am encouraged by USPS' decision to add new, smart technology to several locations in our state," Sen. John Hoeven, R-N.D., said in a statement.

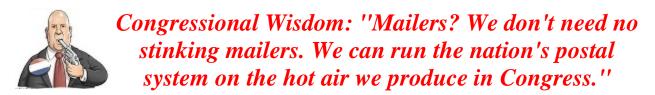
**Kuwait News Agency:** The mail sector in the Gulf Cooperation Council (GCC) member states is greatly developing, a senior Kuwaiti communication official said here on Sunday. "The mail sector in the GCC is witnessing a quantum leap in the development of services offered to the public and facilitated delivery of letters and parcels," Undersecretary of the Ministry of Communications Hameed Al-Qattan said while opening the 28th meeting of GCC post chiefs.

Crange News: Royal Mail is weighing a move into the bond markets to raise hundreds of millions of pounds even as the row over the postal operator's privatisation looks set to continue. Sky News understands that the company has been holding talks with banks in recent weeks about a sizeable bond issue, which would be its first since last autumn's controversial stock market flotation. Insiders said that discussions about the bond financing were at an early stage and that no decisions had been taken, but analysts predicted that the proceeds could be anywhere

between £500m and £1bn. The proceeds of a bond issue are likely to be used for general corporate purposes, and would allow Royal Mail to take advantage of favourable debt markets.

# May 4, 2014

MyCentralJersey: North Plainfield is a borough in Somerset County. South Plainfield is a borough in Middlesex County. Plainfield is a city in Union County. What's more, North Plainfield and Plainfield share three ZIP codes — 07060, 07062 and 07063 — and both communities share two dozen identical street names. Not surprisingly, mail often ends up in the wrong mailbox. It's an identity problem that has bedeviled this borough for generations and has only gotten worse in the digital age, with government and marketing computer programs relying more on ZIP codes to identify locations than on place names.



#### May 3, 2014

**Pakistan Today:** Pakistan Today has found out Finance Division's involvement in doling out millions of rupees to their "blue-eyed" in violation of rules and regulations. According to sources in the Finance Division, an unauthorised payment of Rs 3.879 million was made to Postal Services Division Federal Secretary Raja Ikram under the head of House Building Advance (HBA). The secretary, who is actually the principal accounting officer of his own ministry, was more than 59 years old when he got the payment. According to the Federal Audit Department, the basic irregularity has been committed by the Finance Division in collusion with Accountant General Pakistan Revenues (AGPR).

Business Recorder: The Senate Standing Committee on Communication has expressed serious concern over the performance of Pakistan Postal Service and said the department has failed to keep itself abreast with the modern technical advancement. State Minister for Communications Sheikh Aftab Ahmed has admitted while briefing the Senate Standing Committee that there was dismal situation in government departments as lethargic approach of bureaucracy caused delay in discharging their duties.

Guam Pacific Daily News: The United States Postal Service will provide local customers with their correct addresses following issues with computerized machines rejecting Guam's mail. According to a press release from Duke Gonzales, corporate communications specialist for the USPS based in Hawaii, over 18,000 customized address notification letters with complete and correcting mailing addresses will be delivered to non-P.O. Box Guam

customers by May 5. These addresses are provided by the Guam Department of Public Works, the release states.



<u>Dead Tree Edition:</u> If Congress decides to allow private delivery of newspapers and magazines on Sundays, the nation's largest printing company is ready to step in. "We are looking at alternative delivery methods for content, for physical content," Thomas J. Quinlan, CEO of R.R. Donnelley, told financial

analysts this week. (SeekingAlpha has the complete transcript.) "With the platform that we've built . . . with the addition of [recently acquired competitor] Consolidated Graphics, we've got the ability to be in the majority of populated cities in the United States."

New York Times: The White House, hoping to move the national debate over privacy beyond the National Security Agency's surveillance activities to the practices of companies like Google and Facebook, released a long-

anticipated report on Thursday that recommends developing government limits on how private companies make use of the torrent of information they gather from their customers online.

New York Times: News Corp. to Buy Harlequin for \$415 Million -- News Corporation's purchase of Harlequin is its largest acquisition since the company was separated from the more lucrative film and TV business, 21st Century Fox, last summer. Adding Harlequin, which will be folded into the company's HarperCollins book unit, is consistent with the company's broader strategy of investing more heavily in the publishing industry.

Smithsonian National Postal Museum <u>Broadway World</u>: The Smithsonian's National Postal Museum will display an extremely rare philatelic item, referred to by stamp experts as the "genesis of philately." On temporary loan to the museum, the extraordinary and historic

postal document will be on display-for nine days only-in the museum's new William H. Gross Stamp Gallery today, May 3-11. The May 2, 1840, cover shows the earliest known use of two different philatelic elements: the Penny Black, the world's first adhesive postage stamp, and the Mulready One Penny letter sheet.

**Journal Tribune**: Some post office services have been available in other locations for several years, such as purchasing stamps, through Approved Postal Provider agreements with retail outlets. It's a nice option for people who want to avoid multiple stops for their errands, and with post offices around the country closing or reducing their hours, it's a matter of convenience, too.

# Source of the Inspector General: Leave Benefits and Paid Holidays Benchmarking -- A White Paper

Washington Post: Add yet another problem to the many confronting the beleaguered U.S. Postal Service. Its bench of leaders is growing old. In a report released Monday, the postal inspector general's office said that 35 percent of postal executives were eligible for retirement as of 2012, and it expects 49 percent will be eligible by 2015. Making matters worse: About 30 percent of the people currently being groomed to succeed them are in a position to retire, too. That number will balloon to 73 percent in the next seven years. These trends, worrisome as they may be, are not altogether surprising. Bureau of Labor Statistics numbers show that the Postal Service has among the oldest employees of any industry, tied with funeral homes, crematories and cemeteries at a median employee age of 52.

**Reuters:** FedEx Corp, the world's second largest parcel delivery company, said FedEx Freight would raise fuel surcharge by 3 percent next month, aiming to offset an increase in costs from rising fuel prices. The company also said FedEx Ground would start applying dimensional weight pricing to all shipments from January next year. Dimensional weight pricing is currently applied only to packages measuring three cubic feet or greater. Both FedEx and larger rival UPS raised shipping rates for their freight units in March. Freight is a more competitive than the ground and express businesses, where FedEx and UPS are the only two big players. The FedEx Freight business includes FedEx Freight Canada, FedEx Custom Critical and FedEx Freight, which is a provider of less-than-truckload freight services.

**Postalnews Blog:** Postal officials deny PMG Pat Donahoe ever told two "entrepreneurs" that "the American citizens aren't our customers". The so-called entrepreneurs, actually a pair of Republican political operatives with no business experience, made the outlandish charges in a story written by an associate of Darrell Issa, and published on a web site operated by a former aide to Mitt Romney. Evan Baehr and Will Davis presented themselves as "active, humble geniuses" whom were going to "save" the US Postal Service, only to be stymied by the wicked Postmaster General.

**Washington Post:** Sen. Bernie Sanders and Rep. Peter DeFazio -- "No, we should not end Saturday mail delivery. Eliminating six-day delivery would cause the U.S. Postal Service to lose customers and its competitive advantage while hurting senior citizens and rural America. Rather, we should make the Postal Service more competitive by allowing it to offer innovative new products and services that Americans want and need. Right now, the Postal Service can't ship wine and beer, notarize documents, cash checks, provide secure e-mail services or perform other important jobs. This makes no sense. It's time to provide the Postal Service the freedom to offer services that would benefit millions of Americans. When the middle class is disappearing, we should not eliminate tens of thousands of decent-paying jobs by substantially slowing the delivery of mail. It is time for Congress to save the Postal Service, not dismantle it."

**Communications** State minister for communications admitted before a Senate standing committee on Friday that the situation of the government departments is dismal due to the lethargic approach of the bureaucracy. State Minister for Communications Sheikh Aftab Ahmed, who mostly represents the government in several ministries/departments on behalf of the prime minister, admitted that many government departments are on the verge of collapse due to bad governance. Earlier, the committee expressed serious concern over the performance of the Pakistan Postal Service over its apparent failure to keep abreast with the modern technical advancements. An official of the Pakistan Post told the committee that the department has computerised a number of its services, including online money order, payment of military and other pensions. However, the organisation does not have the capacity to implement the project and has outsourced the services to private firms. Senator Kamil Ali Agha said that the briefing shows that the Postal Service has no capacity itself to handle these online services once any outsourced firm abandons them at any stage then there is no alternate option with the organization to handle them.

The International: April 1 marked the first day on which postage prices in Canada rose by 35 percent. The increase is part of Canada Post's 5-Point Action plan to bolster stagnant numbers against a decline in use of their service. While the new price change (an increase from \$0.63 to \$0.85 CAD) applies to buying stamps in bulk, it will now cost Canadians \$1 to buy a single first-class stamp, a startling 59 percent increase in price. The changes come at a time when Canada Post's revenue appears to be dwindling. In 2013, approximately 1.2 billion fewer pieces of mail were delivered than in 2006. A report issued by the Conference Board of Canada, a non-profit research organization, warned that the crown corporation must adapt to technological changes or risk losing \$1 billion a year by 2020. In addition to increased postage prices, Canadians will see home-delivery mail service stop altogether over the next five years.

# May 2, 2014

**Direct Marketing News**: Unwilling to allow the USPS to wait out an appeal it filed in federal court to remove restraints on exigency, the PRC has demanded that the Postal Service file the revenue report by May 15 and the phase-out report by June 2.

**Inside Indiana Business**: Nowadays, West Lebanon has a population of only about 723, but is well served by a number of businesses in the town. One of these is Randy's Town Market, 413 High St, West Lebanon, IN 47991, and on Thursday, May 1, 2014, the 61st Village Post Office (VPO) in the Greater Indiana District will be officially opened in the store. In 2011, the Postal Service introduced the VPO model as an alternate retail location for postal products and services, especially in rural communities. 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. The following VPOs will open next week — Centerton on Tuesday, May 6, Lapaz and Warsaw on Wednesday, May 7, and Shalhurn an Eriday. May 0, 2014

7, and Shelburn on Friday, May 9, 2014.

# Attention Postal One! Users:

- **PostalOne!® Release 37.2.1 Deployment-** This release repairs known issues in PostalOne!®. The deployment will occur during the scheduled maintenance window of 4:00 a.m. CT through 8:00 a.m. CT on Sunday, May 4, 2014. There will not be an outage during the maintenance release, i.e. the application will be available. Release notes for PostalOne! Release 37.2.1 can be found on <a href="https://ribbs.usps.gov/intelligentmail\_schedule2014/releaseoverview2014.cfm">https://ribbs.usps.gov/intelligentmail\_schedule2014/releaseoverview2014.cfm</a>.
- **PostalOne! Release 37.2.1** Deployment to Test Environment for Mailers (TEM) will occur also on Sunday, May 4, 2014, between 4:00 a.m. CT thru 10:00 a.m. CT.

<u>OurBroker</u>: The new White House report on big data and privacy would surely be more interesting if it started with a factually-correct premise. "Americans have always cherished our privacy," says the White House. "From the birth of our republic, we assured ourselves protection against unlawful intrusion into our homes and our personal papers. At the same time, we set up a postal system to enable citizens all over the new nation to engage in commerce

and political discourse. Soon after, Congress made it a crime to invade the privacy of the mails." Unfortunately, the reality is different. Most people in America assume our mail will be unread and that Hessians will not be quartered in our homes — perhaps the basis for White House claims regarding intrusions and personal papers. But the concept of "privacy" as most people understand the idea — the stuff "Americans have always cherished" — did not begin with the founding of our country and hasn't got much to do with colonial history.

**WBAL**: Four people, including two U.S. Postal Service station managers, have been indicted in connection with a bribery scheme to get money from the USPS.Richard Wright III, 46; Kimberly Parnell, 43; Shane Anderson, 37; all of Baltimore, and Ladena Sketers-Anderson, 47, of Randallstown, were indicted Wednesday on charges of bribery, conspiracy, wire fraud and mail fraud. The group is accused of accepting and taking bribes in return for landscaping, snow removal and cleaning services contracts.

# **At the Postal Regulatory Commission:**

 R2013-11 Order No. 2075 - Order Denying Stay and Revising Schedule for Reporting Requirements <a href="http://www.prc.gov/docs/89/89724/Order\_2075.docx">http://www.prc.gov/docs/89/89724/Order\_2075.docx</a> <a href="http://www.prc.gov/docs/89/89724/Order\_2075.pdf">http://www.prc.gov/docs/89/89724/Order\_2075.docx</a>

"The Postal Service filed a motion seeking to stay specific reporting requirements established in Order No. 1926, which authorized the Postal Service to collect a 4.3 percent exigent price increase until it had recovered approximately \$3.2 billion in additional revenue. The Motion is denied."

 RM2014-5 Petition to Improve Econometric Demand Equations for Market-Dominant Products and Related Estimates of Price Elasticities and Internet Diversion http://www.prc.gov/docs/89/89723/Petition-To-Initiate-Review.pdf

"Petitioners respectfully ask, pursuant to section 3050.11 of the rules of practice (39 C.F.R. §3050.11), the Commission to initiate and conduct a proceeding to review and improve the econometric volume demand model and the associated factors relating to price elasticity estimates and Internet diversion used by the Commission and Postal Service. Petitioners believe that the econometric volume demand model prepared by the Postal Service and used by this Commission materially understates the true price elasticities of demand for major postal products, including but not limited to First-Class Presort Mail, First-Class Single Piece Mail, and Standard Regular Mail. Furthermore, the current demand model also appears incapable of properly accounting for electronic diversion, a major flaw in today's mailing environment. As a result, it likely generates incorrect measures of price elasticity and does not accurately reflect the factors that drive mail demand. "

# EMPLOYMENT OPPORTUNITIES

# APPLICATION PROCESS & PROCEDURES

Vacancy Number	Position	Closing Date
PRC 04-14	Customer Service Assistant	May 09, 2014
PRC 02-14	Legal Assistant	May 09, 2014
PRC 06-14	Research Associate	May 27, 2014
PRC 05-14	Rate and Cost Analyst	May 27, 2014

Direct Marketing News: Bell and Howell has announced a partnership with Experian Marketing Services that will augment its Go Data list hygiene tool with some of Experian's wide-ranging customer acquisition databases. Marketers using Go Data will henceforth have access to four of Experian's U.S. contact databases: Consumer View, New Homeowners Database, New Movers Database, and U.S. Business Database. The partnership adds list rental capabilities to Go Data, as well. Marketers can filter data set segments such as behavior, census, demographic, life

events, and realty. "Extending the capabilities of Go Data from a tool to cleanse and enhance existing contact lists to include acquiring new targets was a natural fit," said Bell and Howell's VP and GM Steve Lopez in a release. "This robust database will help companies and marketers improve return on investment for any multichannel marketing campaign."

FedSmith: FedSmith has updated the yearly salary figures for Postal Service employees to include the latest salary figures. Federal employee salaries are in a separate database but can be searched in the same way.

Looks as if there will another Issa postal reform proposal markup scheduled for 2 p.m. Wednesday. Scuttlebutt has it that mailers will be in the bullseye.

Direct Marketing News: This wasn't the upbeat, "we're taking on the world" address he delivered at the National Postal Forum. On April 30 the Postmaster General delivered the real world address to a small group of mailers in a meeting room at the Washington Plaza Hotel. When Patrick Donohoe spoke to the hundred or so influential owners and leaders of catalog, printing, and direct mail companies, he spoke the plain talk heard in boardrooms. The Postal Service and mailers are in opposition over the kind of control Donohoe and his managers should have over service and pricing when, and if, postal reform legislation should be enacted. Donohoe and his board of governors would like to be able to set rates and service options unchecked, to operate the agency like a free market enterprise. Mailers counter that it is a government-run monopoly, the only game in town for delivering their letters and catalogs, and that it requires oversight of the Postal Regulatory Commission. The PMG wants the exigency rate baked into the rate base line. Mailers want it to be temporary and to return to the CPI rate cap. The ACMA President and Executive Director asked Donohoe if he would accept half a loaf from legislators if they could get something passed this year. Donohoe said he wouldn't.

Aljazeera America: In a recent video message posted to the U.S. Postal Service's YouTube channel, Postmaster General Patrick Donahoe appeared incredulous and indignant about protests that have erupted across the nation over changes he's instituted. "There's no interest in privatizing," he said. "Do not let people get you confused." If that message was aimed at soothing the increasing nervousness on the part of postal employee unions, the postmaster failed to deliver. As seen in the simultaneous demonstrations in 27 states last week, as well as the postal employees' presence at International Workers' Day rallies on Thursday, several decisions by Donahoe have only heightened fears among America's postal workers.

Malta Independent: Not only can Malta boast some of the highest levels of fixed broadband coverage across the EU, but at the other end of the technological spectrum Malta also enjoys the cheapest postal rates in Europe.

# 7

Office of the Inspector General: *Cloud Computing Contract Clauses* <u>Main Report</u> | <u>Highlights</u>

Wall Street Journal: The Obama administration Thursday called for new protections against the use of "big data" technologies in ways that could impinge on civil liberties or lead to discrimination. Among other things, a report authored by senior White House counselor John Podesta called for broader legal protection for email and other digital content, a consumer-privacy "bill of rights," and additional scrutiny by federal agencies of data tools that could be used to hurt minorities and women. The report says Americans inhabit a world of "near ubiquitous data collection," as they live more of their lives online, and the cost of storing those digital trails shrinks



drastically. They post on social networks, transmit their locations from their smartphones, place sensors in the home and trackers on their bodies.



With 49 million Americans now unsure of where their next meal will come from, donation and collection of food items to help those less fortunate has become a major undertaking. The National Association of Letter Carriers created the Stamp Out Hunger Food Drive program 22 years ago. This year's nationwide drive, in partnership with the U.S. Postal Service, Campbell's Soup and Feeding America among others, is slated for Saturday, May 10.

Budapest Business Journal: Researchers at Oxford suggest that 45% of America's jobs will become obsolete due to automation in the following two decades and the rest of the world is expected to consort the trend. According to MTI Technology Review the takeover will happen in two stages. At first exclusively liable fields will be reached like transportation/logistics, production labor, and administrative support. The following second wave of computerization will threaten areas dependent on the development of artificial intelligence.

Forbes: FedEx Canada Ltd, a subsidiary of FedEx Corp, recently announced an agreement with Home Hardware Stores Limited wherein individual dealer-owners of Home Hardware Stores may house FedEx Authorized ShipCenters. These ShipCenters offer FedEx the opportunity to expand its retail footprint across Canada and benefit from the country's growing e-commerce industry. The agreement is the largest retail expansion FedEx has ever attempted in Canada.

EFederal Times: The General Services Administration has awarded its third-generation domestic delivery blanket purchase agreement to the United Parcel Service (UPS) and Federal Express (FedEx). The strategic sourcing agreement gives agencies low prices for shipping items across the country. The new contract also includes dashboards for agencies to analyze how much they use the service and allow them to figure out how to change behaviors in order to reduce costs. [EdNote: Now, for all the Postal Service's whining about its lack of pricing flexibility, Express and Priority Mail ARE competitive products that are free of market dominant pricing constraints. Why, then, could the Postal Service NOT come up with a competitive proposal to satisfy its governmental agency brethren's needs? Or is it really that "pricing flexibility" doesn't mean a damn thing to an entity that only knows how to live "the bureaucratic life?"]

**EXPOH:** It seems reasonable to think that if a USPS employee is going to sell you insurance on your item, they would also tell you if you packed it properly, but that is not the case. And in the end, it is up to you to prove you packed correctly if you want your damage claim to be approved.



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

- DEMYSTIFYING THE POSTAL PRICE CAP SCENARIOS Register for your webinar seat now: https://www1.gotomeeting.com/register/394089704 Join Jessica Dauer Lowrance, Executive Vice President, PostCom on Tuesday, May 13, 2014 at 1:00 pm ET for a discussion on how the USPS uses its current pricing authority, and understand the potential changes you could be facing with the current legislative efforts.
- A large group of mailers before the Postal Regulatory Commission have opposed the USPS' motion to stay in the exigency case. The Commission, in its Order No 1926, directed the Postal Service to file quarterly report on how much it had earned towards its \$2.8 billion exigent cap, as well as a report on how it planed to roll-back the exigent surcharge. On April 23, the USPS filed a motion to stay pointing to its appeal of that Order before the Court of Appeals, District of Columbia Circuit.
- Members of Congress have gone on record in a letter to the Postmaster General and said. "The USPS-Staples units would allow low wage, non-postal employees to provide mail retail services traditionally performed by Postal Service employees. Presumable, if the program is deemed a success by the USPS and Staples management, then it could be extended to Staples' 1,600 other store locations. While we recognize the USPS should explore innovative ways to increase revenue and cut costs, we believe the pilot program is a clear and unmistakable attempt at union-busting, as well as the privatization of critical public services."
- UPS sees \$1.05 billion charge with teamster contract. People vs computers: what's the best way to fix bad mailing addresses? USPS stands to lose if Amazon tackles the last mile. A USPS reform on which nearly everyone agrees: Ending Saturday delivery. Postscript: Architect of USPS banking proposal speaks out.

Wanderful Media raises \$14.5M bringing newspaper circulars to mobile phones. Save our post offices from service cuts. Postmaster General: 'The American citizen aren't our customers.' This is what real postal privatization looks like. Is a prospect rate in the cards for catalogers?

- Announcements from the U.S. Postal Service
- Postings from the Federal Register
- Announcements on recent reports, projects, and blog entries of the USPS OIG.
- International postal news
- 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

**CBC** News: Canada Post is preparing for a 50 per cent drop in the volume of mail and will have to reinvent itself over the next five years, says CEO Deepak Chopra. The Crown corporation, which is weathering a blast of criticism from the public for its decision to end home delivery and raise postal rates, faces major challenges in a tight financial environment, Chopra said in an interview on CBC News Network's The Lang & O'Leary Exchange.

The Voice: Month end long queus at post offices across the country, especially during facilitation of social benefit payments, are expected to be a thing of the past following the introduction of the admirable 'PosoCard' by BotswanaPost. Services that are expected to be improved include payments of Old Age Pensions, World War Veterans and Destitute allowances. The new system named 'PosoCard' means that the existing beneficiaries will be migrated from the old system of using coupons, into the new one. Botswana Post Chief Executive, Pele Moleta, said at the launch thatPosoCard is an electronic smart card that will replace the current voucher system used to pay social beneficiary money.

World Magazine: With combined membership of nearly 250,000, many APWU and National Postal Mail Handlers Union employees fear the Staples program's success could also lead to shuttering nearby Post Office locations. But evidence suggests local banks and restaurants only increase their reach through partnership with bigger outlets and their stand-alone locations get enhanced, not shuttered. "The privatization discussion is a ruse," Donahoe said. "We have no interest in privatizing the Postal Service. We are looking to grow our business to provide customer convenience to postal products."

Every share the use of the U.S. Postal Service and the words "bloated," "bureaucratic" and "broke" come to mind. The agency has been in the red for years, as the age of the Internet has matured and the use of electronic mail has overtaken and largely replaced the use of first-class mail for almost everything except bill payment. Meanwhile, Congress has done very little to address the Postal Service's problems. The result has been deteriorating service at ever higher cost. Indeed, many readers of the Baltimore Jewish Times are reminded of the situation every time their copy of this paper arrives days late. So, any news that USPS is trying to do better is welcome. One innovation is a recently announced plan to let the Staples office-supply chain open USPS retail counters at 82 locations around the country — a pilot program that the Postal Service says could boost convenience and increase business. Whether Staples employees prove to be more helpful and efficient than the USPS workers behind the post office counter remains to be seen. Still, we welcome any action by the USPS to expand its service capability, make its products and services more user friendly and make postal operations more reliable.

WebProNews: Twitter announced the expansion of geo-targeting features to more advertisers. It has added state and region targeting in Brazil and Canada and postal code targeting in the U.S. It is also adding geo-targeting including state and region targeting to eight new countries including: Australia, France, Indonesia, Italy, Japan, Mexico, Netherlands, and the UK. Twitter now offers granular geo-targeting in twelve countries and country-level targeting in over 200. "Advertisers across the world have been using geo-targeting to precisely target the most relevant audience for tangible results," says Twitter product manager Nipoon Malhotra, who shares several examples in a blog post.

**I**<u>erusalem Post</u>: Israel's Postal Company will end a three-day strike Friday morning without an agreement, after the cash-strapped government-owned company agreed to enter a 60-day period of intense negotiations. The labor dispute centered over a reform plan that would lay off 2,000 workers. Thursday nights agreement also stipulated that Postal Company employees would "loan" the company 5% of their salaries to keep it afloat during negotiations. It would also restore overtime hours.

## May 1, 2014

Wall Street Journal: International Paper Co. took a hit during the first-quarter from a falling Russian ruble. The pulp and paper company reported a \$31 million loss during the first quarter related to its 50% stake in Ilim Group, a Russian joint venture. The ruble's drop caused International Paper to report a foreign exchange loss on \$1.4 billion of dollar-denominated debt, which was partially offset by the venture's earnings. Ilim Group operates three paper mills in Russia and sells office paper, packaging and pulp in Russia and China.

Wall Street Journal: The e-commerce giant is set to broaden its same-day shipping service starting Thursday by allowing later ordering times in some places and adding Dallas and San Francisco to the dozen cities where it's available. For Amazon and other e-commerce companies, same-day delivery has long been viewed as a key obstacle in their effort to tackle brick-and-mortar retailers. Despite nearly limitless inventory, online retailers haven't yet found a way to feasibly roll out same-day delivery for a broad swath of Americans. The Wall Street Journal reported last week that Amazon is testing out a delivery service of its own that could help it expand same-day shipping. The company is bypassing UPS, FedEx and the Postal Service, among other carriers, by bringing Amazon packages directly to customers' doorsteps in San Francisco, Los Angeles, New York and possibly elsewhere.

Philippine Information Agency: The Philippine Postal Office said traditional mail is here to stay contrary to public opinion that post office mails are dwindling.

**EFT:** E-commerce retail, home delivery, omni-channel.....just three of many terms used to describe the changes in the retail industry that the world has or is currently encountering. Could home delivery be dying? Home delivery on its own is not always very convenient, at least not for everyone. For time-poor consumers even committing a few days in advance to being at home for a 2-hour slot, is not always convenient. So, whilst retailers need to perfect their home delivery offering, it is imperative that other delivery channels to the consumer are given equal importance.....especially click and collect. Partnering, acquiring or building a bricks and mortar presence to enable collections at a convenient time and in a convenient location for your customers is going to be vital for every online retailer.

GhanaWeb: The Executive Secretary of the Postal and Courier Services Regulatory Commission (PCSRC), Mr Isaac Annan Riverson, has advised licenced courier and postal operators to ensure that their delivery motorbikes are legally registered and visibly branded to prevent the police from accosting them. While applauding the efforts of the police at ensuring law and order during the recent exercise to impound unregistered motorbikes, Mr Riverson announced that a few motorbikes owned by some legally registered postal and courier operators had been caught up in the exercise. He gave the advice at a forum to launch the Postal and Courier Services Regulations (LI 2205) designed to strengthen the PCSRC in the discharge of its functions as spelt out in Act 649.

**E**<u>eCommerceBytes</u>: Social media owes its current day phenomenon of acceptance to the most basic need for communication that people have. Communication has taken many forms over the centuries, with the works of the United States Postal Service being one chapter among many in human history. As the Post Office grapples with continuing to be relevant in a world where businesses promote paperless billing options for businesses, and texting presents a more attractive communication option than even email (let alone handwritten or typed letters - on paper), we find in a new report from the Postal Service that social media figures prominently in their plans.

Actuarial Post: Research from JLT reveals that since it made its entrance into the FTSE 100 index in December last year, Royal Mail Group has overtaken Prudential to become the best funded of all FTSE 100 company pension schemes, by some margin. JLT says that the impact of the transfer of the majority of the Plan's assets and liabilities to the Government as part of the privatisation of Royal Mail Group provided the company with an unanticipated balance sheet gain of over £3 billion.

Bloomberg Businessweek: American postal workers and their allies complain that U.S. Postmaster General Patrick Donahoe is trying to privatize his agency, and Donahoe says this is preposterous. Who's right? The American postmaster general isn't advocating anything as radical as a U.S. Postal Service IPO. He wants to open post offices in Staples (SPLS) stores at a time when fewer and fewer people are venturing to traditional post offices. Both the teachers and the postal workers have decided that this is a resonant line of attack. If only it was fair. They might want to look at what's happening in the U.K. and then decide whether Donahoe is really such a bad guy.

The Guardian: Nick Clegg has admitted there is legitimate controversy over the sale of Royal Mail and said it was right to have intense scrutiny over the deal overseen by the Lib Dem business secretary, Vince Cable.

Herald Sun: Australia Post and the company rolling out the national broadband network head the hit list of government-owned bodies the National Commission of Audit says should be privatised.

**PRNewswire:** On April 24, 2014, United Parcel Service, Inc. (UPS) reported that the Company was notified by the International Brotherhood of Teamsters (IBT) that the Master Agreement between the Company and the International Brotherhood of Teamsters (IBT) was approved for implementation effective April 25, 2014 for all UPS employees covered by the Agreement. According to the Company, key elements of the agreement include: Competitive wage and benefit increases over the 5-year term of the agreement with a new base wage for part-time employees of \$10 per hour; Transition of Teamster-represented employees from UPS-sponsored health care plans to multi-employer health care plans; the contract is effective from August 1, 2013 to July 31, 2018 and applicable retroactive benefits payments will be made to employees within 30 days. The full analyst notes on UPS are available to download free of charge at: <a href="http://www.analystsreview.com/1799-UPS-30Apr2014.pdf">http://www.analystsreview.com/1799-UPS-30Apr2014.pdf</a>

Here's the <u>PDF</u> and <u>recording</u> link from the PostCom webinar on the **DSCF Standard Mail Load** Leveling Overview. <u>https://www1.gotomeeting.com/register/193830896</u>

From the Federal Register: Postal Service NOTICES Privacy Act; Systems of Records, 24759–24762 [2014–09906] [TEXT] [PDF]

Office of the Inspector General:

Report Number DP-AR-14-003 Fiscal Year 2013 Conference Costs Audit Report

"The Postal Service should improve its monitoring of and accounting for conference costs. Specifically, the Postal Service was unable to immediately identify the number of FY 2013 conferences and their associated costs because management did not have a process to accurately identify conference costs. The Postal Service reported \$4.2 million for FY 2013 in the expense account "Meetings and Conferences." However, the account does not identify which expenditures are associated with conferences rather than meetings. Therefore, the controller polled the Postal Service functional areas and identified two conferences costing in excess of \$100,000. This is the threshold the Office of Management and Budget set for public reporting of conference expenses. The two conferences totaled \$243,379, and we did not identify any inappropriate expenditures. We reviewed detailed Postal Service accounting records, supporting documentation, journal vouchers, travel card transactions, and contracts and did not identify any additional conferences costing more than \$100,000 or any inappropriate conference costs in FY 2013. During our review of the various transactions we did identify \$17,318 of conference travel improperly classified as training expenses."

<u>Report Number MS-AR-14-003 Plant Load Agreements – Greensboro District Audit Report</u>
 "The Greensboro District was not adequately approving or monitoring plant load agreements. Documents

were missing, lacked signatures, and were not reviewed as required. These conditions occurred because the district did not have a system to monitor compliance with the agreement. During our audit the district began to implement several corrective actions, such as updating current plant load agreements and creating a plant load committee to review applications and address issues. Additional improvements are needed, however, to ensure the district complies with approval and monitoring related requirements in these agreements. Until approval and monitoring improvements are implemented, the Postal Service risks incurring unnecessary operational costs. We estimate transportation costs of \$500,209 in FY 2014 as disbursements at risk."

MoneyTalks News: Have you missed the paper Social Security benefits statements you used to receive annually in the mail? You'll be happy to know that the Social Security Administration plans to resume mailing the benefits statements in September. But not everyone will receive the paper statements, which estimate future Social Security earnings. The mailed statements fell victim to budget cuts in 2011. Reuters said the paper statements will be mailed to workers at ages 25, 30, 35, 40, 45, 50, 55, 60 and older. If you've signed up to view your benefits statements online, you will not get the mailed statement. AARP said the mailed earnings statements are important for many Americans, because so few people – about 11 million – have signed up to read them online.

**INBC2**: There was an unusual animal death in Collier County. Several chicks died Friday while being shipped to a Naples post office. According to the Postal Service, the chicks were mailed from Minnesota. A spokesperson for PETA says it could have been avoided. "These animals deserve so much better than to be shipped around like postcards in the mail," Kristin Simon of PETA said. The postal service said they will work with the sender to avoid any shipping issues in the future.

U.S. Court of Appeals for the District of Columbia: Case No. 14-1 065 -- Valpak v. Postal Regulatory Commission

#### April 30, 2014

Wall Street Journal: The U.S. economy nearly stalled in the first quarter as weakness overseas hurt exports and frigid weather curtailed business investment. Gross domestic product, the broadest measure of goods and services produced across the economy, grew at a seasonally adjusted annual rate of 0.1% in the first quarter, the Commerce Department said Wednesday. That matched the second-weakest quarterly reading of the nearly five-year-old economic recovery. Economists surveyed by The Wall Street Journal had forecast growth at a 1.1% pace for the quarter.

**Save the Post Office:** Postal watchdog Douglas Carlson has filed a formal complaint with the Postal Regulatory Commission concerning the Postal Service's decision to reduce window hours at post offices. According to the complaint, the Postal Service has changed its policies without seeking an advisory opinion, and now it will be reducing hours without seeking customer input.

Direct Marketing News: Despite the injurious rate hike catalogers endured in 2007, despite this year's exigency increase, despite the absence of postal reform, most catalogers would be happy if the Post Office would consider granting them one thing: a special rate for prospect mailings seeking new customers. One of the most damaging side effects of exigency for catalogers is that many of them will be forced to curtail prospecting in order to afford delivering to current customers. They're frustrated that Postal Service honchos fail to realize that new customers for catalogers means new business for the USPS. A cataloger at the forum noted that one new acquisition translates to two years of future mailings to that customer. And one major player at the Postal Service, apparently, seems to get it. After hearing Rucker stump for more Negotiated Service Agreements (NSAs) from catalogers, ACMA Chairman Martin McClanan turned the conversation to the prospect rate. "We're talking about something that can really transform volume," McClanan said. "What if we were to try to get that?" Rucker, true to his stated mission of acting as an advocate for postal customers, didn't miss a beat. "I don't think anything's impossible. I don't see why we can't do some type of prospecting promotion and see what happens," Rucker responded. "I'll commit to seeing if we can get a prospect rate in some of [USPS VP of Innovation Gary] Reblin's promotions."

The Independent: So much for the "long-term investors", then. After an inordinate delay, the Business Secretary, Vince Cable, has seen fit to publish the names of the firms that effectively received preferential treatment in the flotation of Royal Mail last year. Some, such as the sovereign wealth funds, did at least fulfil the Government's hopes that they would secure long-term partners in building the Royal Mail business – indeed constancy has been something of a feature of the Gulf States' funds since their inception four decades ago. However, other names on the list are less obviously faithful – as could have been predicted at the time. And so we learn that, of the 16 shareholders who were selected by Mr Cable for their "long-term investor potential", and given vastly larger allotments than the £1,000-worth available to individuals, all but four sold out quickly. Rather than 22 per cent of the shares lying in such long-termist hands, only 12 per cent do now. The role of the investment bank Lazard Brothers – as advisor and priority investor – is another blot on the flotation.

Direct Marketing News: "Catalogs have a big part to play in communicating with customers in the future," maintained the Postal Service's chief information officer. "You're really on the front end of analytics, and we have an opportunity to be more strategic about what we're doing." Though he admitted that bringing all mail stakeholders together on any issue was nigh-on impossible, Cochrane ventured that the Postal Service and catalogers could unite on pooling their data and analytical resources to bring more visibility, and hence increased efficiencies, to postal operations. "Visibility is something we can all align around," he said. "A couple of years ago we introduced reduced cycle time and a funny thing happened on the way to improving service: We drove costs down. We talked service the whole time and we made money the whole time."

# *Offic of the Inspector General Audit Reports:*

- <u>Fiscal Year 2013 Conference Costs</u>. The Postal Service should improve its monitoring of and accounting for conference costs. Specifically, the Postal Service was unable to immediately identify the number of FY 2013 conferences and their associated costs because management did not have a process to accurately identify conference costs.
- <u>Plant Load Agreements Greensboro District</u>. The Greensboro District was not adequately approving or monitoring plant load agreements. Documents were missing, lacked signatures, and were not reviewed as required. These conditions occurred because the district did not have a system to monitor compliance with the agreement. During our audit the district began to implement several corrective actions, such as updating current plant load agreements and creating a plant load committee to review applications and address issues. Additional improvements are needed, however, to ensure the district complies with approval and monitoring related requirements in these agreements.

**FED**week: A revised version of long-standing postal reform attempts may be introduced soon by the chair of the House Oversight and Government Reform Committee, Rep. Darrell Issa, R-Calif. The committee last year passed a bill on a partisan vote but at a recent hearing Issa indicated he plans to try again with revisions that could attract Democratic votes; in the prior Congress, the committee also had passed a bill but it never reached the House floor. Issues causing the hangup include under what conditions a switch to five-day mail delivery would be allowed, policies on closing post offices and other facilities, and what to do about a requirement to pre-fund retiree health insurance costs that accounts for a large part of the agency's financial losses of recent years. Other issues at stake in postal reform include possibly breaking off postal employees and retirees into a separate health insurance risk pool with unknown impacts on the rest of the FEHB population, and making the FECA injury compensation program less generous government-wide.

Members of Congress have sent a <u>letter</u> to the USPS Postmaster General opposing the Postal Service and Staples deal.

**Press Release:** Bell and Howell today announced the addition of marketing list rental capabilities to its <u>Go</u> <u>Data<sup>TM</sup> solution</u>, a 100-percent self-service data-quality and list-enhancement tool, through a partnership with Experian Marketing Services, a global provider of integrated consumer insight, targeting, data quality and crosschannel marketing. The partnership of the two companies gives marketers real-time access to a robust customer acquisition database of potential consumer and business customer listings compiled by Experian Marketing Services and integrated into Go Data's intuitive interface. **GovExec**: The U.S. Postal Service will soon have to replace a large number of its executives, according to a new audit, and it could be doing a better job cultivating its leadership pipeline. USPS' Corporate Succession Planning program has identified many best practices, the agency's inspector general found. Many managers, however, were not properly prioritizing the initiative, leading to employees who are ill prepared to fill in leadership positions.

**Fiscal Times**: Evan Baehr and Will Davis, were summoned to Washington for a meeting with the Postmaster General. Evan and Will wondered what it could be, "They must have seen the recent coverage in *CNBC*, maybe they'll help our company expand?" Or, "maybe they wanted the traditional photo opportunity and positive media buzz that political actors care so much about. Surely their company made the Post Office look good, right?" But when the Postmaster General came out to meet them, the stark reality became clear, they weren't interested in a photo-op. As Evan and Will describe it: "This 30-minute meeting was the end of our business model."

**HispanicBusiness.com**: Pitney Bowes Inc. today reported financial results for the first quarter 2014. Results for the quarter reflect the DIS business as a discontinued operation. Revenue from continuing operations in the first quarter totaled \$937 million, growth of 3 percent on both a reported and constant currency basis when compared to the prior year. Revenue results in the first quarter reflect the ongoing improvement in trends that the Company started to experience in 2013. Revenue for the quarter benefited from 23 percent growth in the Digital Commerce Solutions segment and from 1 percent growth in the Enterprise Business Solutions group. Revenue in the Small and Medium Business (SMB) Solutions group declined just 1 percent, which reflects the continued stabilization of revenue for this business.

**The Post-Standard:** Across rural America small town post offices are being closed in an effort by the U.S. Postal Service to stop mounting revenue losses. Being an independent branch of the federal government, the postal service is mostly subsidized by postal fees. The fact that more people are paying bills and communicating online instead of mailing letters has forced the postal service to make deep cuts. Many of the old brick-and-mortar post offices, slated for closure, could be morphed into village post offices. A village post office is one that is run by a small business owner as part of their retail operation offering limited postal services like selling stamps, PO boxes, or package services.



**IDEAlliance®**, a leading industry association for print and digital media, and an active developer of best practices and open specifications, has released an industry white paper, *OpenEFT: What It Is and Why It Matters*, explaining the IDEAlliance open specification that addresses the publishing ecosystem that typifies today's digital magazines. The introduction of touch-based

smartphones and tablets-combined with the rise of Internet-centric content, and a corresponding decline in print, has disrupted publishing supply chains. With this disruption, the initial costs of operating effective workflows are high, and the potential for revenue is elusive. The 15-page white paper, authored by **John Parsons**, Principal of IntuIdeas LLC, examines how publishers of all sizes can cope with present technologies and move towards a better, more

profitable technology mix.

Office of the Inspector General: Wireless Local Area Network Deployment and Security Practices -- Report Number IT-AR-14-005 "We determined the Postal Service implemented adequate security policies and controls that effectively detect unauthorized use of and access to its wireless network. Specifically, the Postal Service has configured its wireless controller devices and access points to continuously monitor and detect unauthorized access. Our wireless network discovery scans at all five facilities we reviewed did not identify any wireless access points that we considered a threat to the network, such as those installed without the network administrator's consent. In addition, the current expansion plans for the wireless infrastructure follow established policy and security standards, and security procedures in place are effective to ensure new wireless technologies are authorized, evaluated, and assessed prior to deployment."

**Postalnews Blog:** Back in January we told you how a startup called Outbox had abruptly decided to call it quits after failing to make a go of its mail-digitization service. The company claimed it was doomed by the postal service's decision not to allow Outbox to have mail forwarded to it from postal customers. The fact that Outbox's founders were a pair of former congressional aides with zero experience in running a business, much less dealing with the mail, wasn't mentioned. Now we've been treated to a rehash of the story at something called

InsideSources.com, which purports to be "a non-partisan news organization that knows our politically-sophisticated readers expect more than the same boring talking points". The funny thing about the article is the way it tries to present the Outbox guys as some kind of wide eyed idealists who just wanted to help save the postal service-something they apparently felt they were destined to do-however dumb their business model was. When mean old Mr. Donahoe declined to play along, they were simply shocked! So they got a couple of their fellow political operatives to write and publish a glowing account of their quixotic struggle with the forces of darkness in Washington. Yawn. [EdNote: A word to the "wise" should have been sufficient. You don't help the postal system by telling mail recipients you can ensure that mail sent AND PAID FOR BY OTHERS FOR DELIVERY don't have to be delivered. That IS contrary to the postal model of just about every post around the world.]

**Fox News:** Postmaster General Patrick Donahoe doesn't regard the American taxpayers who subsidize the U.S. Postal Service as the agency's primary customers, according to a new report from Inside Sources. "You disrupt my service and we will never work with you," Donahoe told Outbox founders Evan Baehr and Will Davis. "You mentioned making the service better for our customers; but the American citizens aren't our customers — about 400 junk mailers are our customers. Your service hurts our ability to serve those customers." It's hard to believe that Donahoe would say that, as Baehr and Davis told Derek Khanna. The USPS refused to respond to Inside Sources' request for information beyond a boilerplate statement that said, among other things, that USPS would "continue to monitor market activities to ensure protection of our brand and the value and security of the mail."

AllAfrica.com: The Postal Corporation of Kenya has invested Sh260 million in an Enterprise Resource Planning (ERP) System in a bid to increase revenue and reduce cost of business processes. The Postmaster General Enock Kinara said the system is part of the corporation's efforts to automate front and back office functions in a bid to ramp up efficiency in end-to-end business operations. He said there is need to realign the corporation's operations and strengthen its profit centres through improving ICT infrastructure and prioritising ICT in budgeting, The corporation invested in the Posta Pesa payment solution in 2013 to enable it transact several operations electronically that include agency banking, mobile money transfer, e-commerce and e-payment of utility bills.

**Post & Parcel**: Brazil Post is gearing up for a major rebranding exercise that will see a new look launched next week. The state-owned postal service, which currently operates with its decades-old yellow and blue Correios brand, has hired agency CDA Branding & Design to rethink the public identity of the company. The new brand will be launched on 6th May at an event in Brasilia. It will be applied to vehicles, uniforms, post offices, websites, packaging and any other point of contact between the company and its stakeholders. Brazil Post said its new brand would reflect the local nature of the post office, the innovation of the company, the flexibility and dynamism of the organisation and the commitment to its customers.

# From the Federal Register: Postal Regulatory Commission RULES Periodic Reporting, 24335– 24336 [2014–09770] [TEXT] [PDF]

Wall Street Journal: There's a sad twist to the shooting Tuesday morning at a FedEx facility in Kennesaw, Ga., where an employee injured six co-workers before turning the gun on himself. Kennesaw is one of several U.S. cities and towns that have an ordinance requiring every household to own a gun.

Haaretz: As postal workers strike, Communications minister declares: Post office must be restructured. Israel Post faces financial collapse unless it raises rates and begins providing new services, a government panel said Tuesday postal workers launched a strike to protest layoffs. "The structure of the post office needs a change and the company must adapt itself to the changing needs of the public," said Communications Minister Gilad Erdan, who together with Finance Minister Yair Lapid, would have to approve the proposals before they can go into effect.

**Digital Journal**: Sixty-four percent of respondents support new revenue-generating services at Canada Post, including financial services, finds a new poll. The poll results are drawn from a Stratcom national online survey which interviewed a nationally representative sample of 1,512 randomly selected adult Canadians between April 9th and April 10th, 2014. This announcement comes on the heels of a symposium on the feasibility of postal banking in Canada, hosted by the Canadian Union of Postal Workers (CUPW) on April 26 and 27. International guests from New Zealand, the United Kingdom, France and Italy shared success stories of the financial services that help keep

their public postal services viable. Representatives from the United States described how postal banking is also being explored as an option for their postal service, saying it could keep good public services viable and maintain thousands of needed jobs. The Canadian Centre for Policy Alternatives' John Anderson told the symposium there is ample evidence of the viability of banking services at post offices. He said what is needed now is a task force to investigate how it may best work in Canada.

**St.** Louis Business Journal: The president of National Postal Mail Handlers Local 314, based in Hazelwood, has been indicted for embezzlement.

**News**: New Zealand Post plans to roll out YouShop in China after attracting 82,000 Kiwis to the parcel forwarding service. The state-owned postal service, which is grappling with a slump in traditional mail volumes, says 4000 users a month are signing up to YouShop, using delivery addresses in the UK and US to buy goods from companies that won't ship overseas.

**E**Los Angeles Times: A California House delegation led by Alan Lowenthal (D-Long Beach) is calling on Postmaster General Patrick R. Donahoe to reject a recent pilot program with Staples to operate retail mail counters at 82 U.S. stores. The letter was also signed by 29 other members of Congress from California, including Janice Hahn (D-Los Angeles) and Jackie Speier (D-Hillsborough). Lowenthal echoed criticism by union officials and warned that the partnership "is a clear and unmistakable attempt at union-busting, as well as the privatization of critical public services," he wrote in a letter to Donahoe.

### April 29, 2014

**Inside Sources**: Evan Baehr and Will Davis, were summoned to Washington for a meeting with the Postmaster General. Evan and Will wondered what it could be, As Evan and Will describe it: "This 30-minute meeting was the end of our business model." *[EdNote: They were warned. They ignored the warning.]* 

Postal Technology International: Canada Post is collaborating with e-commerce platform providers to make it easier for small businesses to go online and grow their business. The initiative aims to facilitate small businesses' transition to online stores. The new programme will be offered by e-commerce software solution providers to their users, with incentives on shipping services by Canada Post.

Sun News: A 37-year-old postal worker has been charged with dumping mail in the woods in St. John's, N.L. The man has been charged under the Criminal Code, the Canada Post Act and the Environmental Protection Act, the Royal Newfoundland Constabulary said in a release. The Canada Post worker was picked up in a local police sting, staking out the area to identify illegal dumping. The man was seen on surveillance footage taking ad fliers into the woods in a Canada Post truck, police told a press conference.

News Release: In our ongoing efforts to educate mailers and the Postal industry in general, Window Book has just published a new and very important white paper titled "Changes Are Coming in 2014: Do You Know What They Are?" This white paper specifically addresses what you can expect to see from the Postal Service this year: eInduction, Seamless Acceptance, Intelligent Mail Container labels, Enforcement of Penalties, Product Tracking and Reporting, and Promotions and Incentive Programs. It also has a Window Book prediction for 2014. Download your free White Paper: www.WindowBook.com/2014-Changes.

Direct Marketing News: A group of direct mail stakeholders submitted a document to the Postal Regulatory Commission (PRC) today stating its opposition to the U.S. Postal Service's motion to have a court stay its first scheduled report on the effects of exigency.

From the Federal Register: Postal Regulatory Commission RULES Revisions to Rules of Practice; Corrections, 23916–23917 [2014–09797] [TEXT] [PDF] **Expatica:** Freelancers who work for postal delivery firm PostNL are demanding to be treated as if they really are self-employed rather than 'fake' employees, the Parool reports on Monday. A year after a strike calling for better pay and conditions, their association SubcoPartners has issued PostNL with an ultimatum, the paper says. The freelancers want a guaranteed turnover of EUR 1,150 a week for a 45-hour week and to be able to bill if they work longer hours.

Wall Street Journal: TNT NV's cost-cutting drive is beginning to yield results, though the Dutch parcel delivery company continues to struggle to grow its business.

Washington Times: The Postal Service could soon be facing a serious labor shortage as nearly half of all executives and leaders are eligible for retirement in the next three years, a new report shows. Already battling funding problems, the retirements could leave the mail delivery agency with a gap in qualified leaders with long-term experience needed to head the service, as 49 percent of executives are up for retirement before 2017. "Because the Postal Service's workforce demographics are rapidly changing, it must identify and develop talent for future executive positions," said the Inspector General, the Postal Service's internal watchdog.

The Motley Fool: Last November, the government began as part of its Retail Partner Expansion Program a pilot plan to install mini-post offices in Staples beyond the usual stamp sales such partners are typically afforded. Instead, Staples will also include first-class domestic and international mail and package services, Priority Mail, Priority Mail Express, Global Express Guaranteed, and Standard Post services. A key detail was that a Staples employee, not a postal worker, would receive your package or envelope. Last week, the American Postal Workers Union staged picket lines outside dozens of Staples stores across the country to protest the creeping privatization of the service. They don't necessarily mind putting postal outposts in retail stores -- what they object to is the use of Staples employees to handle the mail. Staples is...looking...to bring more people into its stores. There's nothing inherently special about mail, though, that ought to make it the exclusive purview of the government, even if the sorting and delivery of 158 billion pieces of mail is truly a vast and mind-boggling enterprise.

**BusinessWire**: Quad/Graphics, Inc.announced that it has completed its previously announced \$1.9 billion debt financing that includes refinancing, extending and expanding its \$1.6 billion senior secured credit facility consisting of a five-year \$850 million revolving line of credit (the "Revolver"), a five-year \$450 million bank term loan A (the "TLA"), and a seven-year \$300 million term loan B (the "TLB"), as well as a high-yield bond offering of \$300 million aggregate principal amount of its 7.0% senior unsecured notes due 2022. Quad/Graphics expects to use the net proceeds from the TLA and TLB as well as the \$300 million unsecured senior notes offering to: (1) repay its existing term loans, revolver borrowings and an international term loan; (2) fund the acquisition of Brown Printing Company; and (3) for general corporate purposes.

**The Hill:** John Hegerty, President, National Postal Mail Handlers Union -- "The proposed service cuts now being debated in Congress, supported by the U.S. Postal Service headquarters, will slowly deplete our postal system of needed resources, allowing private interests to swoop in and take over what is now one of the great components of America's public infrastructure. If that happens, there will be no stopping private corporations from jacking up postal rates and jeopardizing the services that tens of millions of Americans use. Today, more than 650,000 active and retired mail handlers, city and rural letter carriers and postal workers stand united against Congress's self-defeating service cuts. Together, we represent employees at hundreds of mail processing facilities and thousands of post offices at risk of being closed. As a result of the proposed cuts, more than 100,000 Americans could lose their jobs. While still in need of reform, the USPS's financial outlook is better than it has been in years."

**WKRC**: Postal Inspectors say a ring of newspaper delivery guys stole millions of dollars from more than 400 victims. Ryan Noonan, a US Postal Inspector, said, "Add zeros where they shouldn't be added, cash checks on their accounts and then put in change of address of the people, getting the mail delivered to his house, get bank statements and enter into their bank accounts and engage in account takeovers." After a few months, the suspect was arrested.

<u>Ottawa Sun</u>: The Canadian Union of Postal Workers is at it again. This past weekend they used their members' dues to convene a symposium in Ottawa on postal banking. That's right. CUPW wants Canada Post to offer chequing accounts, savings deposits, insurance and more. The post office used to offer banking services but this

ended in 1969. In their "Save Canada Post" literature, the union writes "We believe it's time to get back to basics." But expanding services like this isn't going back to basics. The federal government, via a Crown corp., doesn't need to wade into retail banking -- which is what this would essentially mean. There's just no need for this. Consumers have access to the Big Five, as well as more than 20 other domestic banks in Canada. There are also thousands of credit union ATMs and branches. Virtually all major financial institutions offer online and phone banking. So not only does CUPW refuse to accept the realities of supply and demand in the postal sector, but in the banking biz too! This is a solution to a problem that does not exist. The problem is that CUPW leadership is afraid of losing their power base -- to hell with the taxpayers and economic reality!

# April 28, 2014

**National Review:** Hundreds of mail workers protested last week at 56 Staples stores in 27 states. Their claim was simple: that a new U.S. Postal Service partnership with the office-supply store threatens their jobs. They're right but instead of going postal at Staples, USPS employees should examine the union policies that pushed them to this precarious position. The Postal Service is in woeful financial shape. Labor costs account for much of that red ink. The Postal Service is "by far the largest government enterprise in terms of employment," according to the Congressional Budget Office. Wages and benefits account for nearly 80 percent of the Postal Service's total expenses. Consumers benefit from having more options, and the Postal Service may also save, if a recent internal memo is any indication. The memo estimated that private-sector retailers could offer the same mail services for less than a third the cost, which gives a bracingly clear picture of how inflated mail workers' pay has become.

wanttheNews: "We can't even begin to count the number of times the Postal Service has fouled up the delivery of papers that we could walk to customer's homes in less time that they get them there," Delta Publications President Mike Mathes said. This week, entire bundles were missing, as only individual copies showed up in Cleveland and then only a handful of them. Delta Publications uses a certified postal drop off vendor, having all papers delivered directly from our printing vendor to the post office in Kiel. From Kiel, the papers are trucked to the Milwaukee sectional postal office, and then forwarded to Cleveland. "On most occasions in the past, when we have placed follow up requests through the Postal Service to locate the problem, the finger has pointed to issues in the Milwaukee Sectional office," Mathes noted. "Their response is usually a lack of response, or a denial of any

responsibility," he added.

At the Postal Regulatory Commission: PostCom and others have filed at the PRC against the USPS' motion to stay in the exigency case. http://www.prc.gov/Docs/89/89700/14-04-28 ANM et al. Opposition.pdf

Reuters: Britain's financial regulator will not investigate the government's sale of Royal Mail, it said on Monday, rejecting calls from lawmakers who said a sharp rise in the firm's share price should have set alarm bells ringing.

# **INDUSTRYALERT** Intelligent Mail package barcodes (IMpb) Webinar Series

Returns Containing Mailable Hazardous Materials May 13, 2014 at 10 a.m. (EDT). This webinar outlines the new requirements for the use of Service Type Codes and Shipping Service File indicators relative to mailable hazardous and perishable material. We will also briefly discuss packaging and marking requirements for these materials. Please visit us on the USPS Industry Outreach website to view the upcoming webinar schedule and webinar archive presentations. Event number: 993 015 716 Event address for attendees: https://usps.webex.com/usps/onstage/g.php?d=993015716&t=a

The Jerusalem Post: The Israel Postal Company will escalate a labor dispute into a full strike on Tuesday, following its refusal to deliver mail in Tel Aviv and the Center on Monday. The dispute centers around a plan to restructure the financially unstable company that includes dismissing 2,000 workers, which the postal union complained was "unilateral."

**Post & Parcel:** Australia Post is entering into a direct contract with InPost, member of Integer.pl listed on the Warsaw Stock Exchange, due to commence in August 2014. As InPost was already providing the solution that

supports Australia Post's current Parcel Locker network via the previous arrangement, this will continue as part of the new direct relationship between the two organisations. Field services performed to date by intermediary will be taken over by InPost Australia from August 2014.

**Post & Parcel**: Russia's rogue takeover of the Crimean region of Ukraine has continued with its establishment of a new postal service for the area. The Russian Federation's Prime Minister Dimitry Medvedev signed a degree on Friday creating Crimean Post, to provide postal services in the breakaway republic and Sevastopol. The new postal company will be overseen by the Russian Ministry of Communications, with its services integrated with Russian Post.

Newstalk: The Communications Minister has admitted the new postcode system will make it easier for Revenue to collect taxes. Pat Rabbitte was speaking as the new EirCode service was unveiled in Dublin today. It will use a 7-character code in an alpha numeric format. Existing Dublin postal districts will be retained. The government says the new postcode will provide benefits for householders, businesses and State bodies. Parcel and mail deliveries from An Post and other delivery companies will be able to use the new postcode system to quickly identify the location of a single house set in the countryside, or an apartment in a newly-developed multi-storey.

Economic Times: A new strategy to be unveiled by Siemens on May 7 will include thousands of job cuts, Germany's Manager Magazin Online reported on Monday, citing several senior Siemens managers. The sale of its postal automation and baggage handling business will also be announced in May.

**TechCrunch**: Circulars (the advertising inserts with coupons from local retailers) are still critical to revenues for local newspapers. In an effort to bring them into the digital age, a consortium of some of the largest media conglomerates are investing another \$14.5 million into Wanderful Media, to bring them to mobile devices. The new round brings Wanderful's total funding to over \$50 million from investors including Advance Digital, A. H. Belo Corporation, Community Newspaper Holdings Inc., Cox Media Group, The E. W. Scripps Company, Gannett Co., Inc., GateHouse Media, Inc., Graham Holdings Co., Hearst Corporation, Lee Enterprises, MediaNews Group and The McClatchy Company. *[EdNote: JJ Bye, bye mail....Bye bye happiness....JJ ]* 

**Omaha World-Herald**: The full-color flier that landed in Iowa mailboxes a few months ago had a picture of Rep. Steve King set over a picture of a rural farm under a crisp blanket of snow. "Steve King is fighting in Congress for what Iowans want," the flier proclaimed in red type. But this was no campaign mailer paid out of the Republican's re-election campaign funds. Instead, the cost was covered by taxpayers as part of the congressman's official expenditures. The practice is known as franking — a mailing privilege of U.S. lawmakers that dates to Revolutionary War times. Depending on whom you talk to, it's either an essential way for elected officials to keep in touch with their constituents or a powerful, unfair, mass-mailing advantage that helps keep incumbents in office. No matter the form, however, franking still boils down to a taxpayer-funded way for members of Congress to get their messages to constituents and potential voters.

American Banker: To folks at the U.S. postal service, the phrase "too big to fail" might as well refer to an oversized package that's marked for urgent delivery, and a "stress test" could be what happens to customers waiting in long lines to buy stamps. In other words, there's a big gap between the world David Williams occupies every day as the Postal Service inspector general and the realm he entered in January, when his office released a paper arguing that the agency should start making small-dollar consumer loans and offering new ways for consumers to save. The report's ideas set off a financial media firestorm and were just as loudly panned by banking lobbyists as they were cheered by prominent congressional Democrats. Postmaster General Patrick Donahoe had telephoned Cam Fine, head of the Independent Community Bankers of America, to reassure him that the ideas in the report did not come from the Postal Service itself. Though the IG's an independent agency, "I think sometimes people are under the mistaken notion that they do the Postal Service's bidding," Donahoe says. "They do a lot of good work for us. This is one we didn't ask for.... It came [as] a little bit of a surprise to us when we saw it."

**Arutz Sheva**: The Union of Israel Postal Service Employees has decided not to distribute mail in Tel Aviv and central Israel from Monday, as part of a protest against a streamlining plan that would see employees fired. The

Postal Service management recently began implementation of the streamlining plan, which is designed to cut 113 million shekels from the company's expenditures.

The Times: The cream of the City of London is to be hauled across town this week to the Palace of Westminster in an unprecedented three-day parliamentary inquiry into last autumn's privatisation of the Royal Mail. During the consecutive days of questioning by MPs on the business select and public accounts committees starting today, ministers and mandarins are likely to be accused of being gulled by City bankers and the counsel of their own financial advisers into selling off the nation's postal network too cheaply.

MarketWatch: TNT NV's cost-cutting drive is beginning to yield results, though the Dutch parcel delivery company continues to struggle to grow its business. Earlier Monday, TNT reported a sharp drop in first-quarter net profit to EUR1 million (\$1.38 million) from EUR144 million a year earlier. Last year's figure included a EUR200 million breakup fee received from UPS after the planned takeover by its U.S. rival stumbled on antitrust concerns. Excluding the impact of currency losses and exceptional items, operating income more than doubled to EUR51 million with the company recording EUR30 million in cost savings. "As significant progress has been made in restructuring our businesses, we are now increasingly focusing on growth in our target segments," said Chief Executive Tex Gunning, who has headed the company since June.

Barnett & Whetstone Press: Under-fire delivery firm TNT Post is facing an official investigation, after a Conservative MP found hundreds of letters containing details of benefits and bank statements dumped in a river in Colindale.

Washington Post: Even if election-year politics were not paralyzing Congress, it would be hard to pass a major reform of the U.S. Postal Service. Heaven knows the USPS needs an overhaul. Yet postal unions, bulk mailers, rural communities and other "stakeholders," as special-interest groups are now known in Washington, have lobbied successfully against change. Ending Saturday delivery is one of the few substantial reforms that enjoys widespread, bipartisan support. President Obama wants it. Mr. Issa is in favor. A Senate committee has already passed a bill, by a vote of 9 to 1, that would allow USPS to end Saturday delivery. Last but certainly not least, the American public seems quite willing to sacrifice Saturday mail in the cause of postal solvency. The more tightly reform legislation focuses on the areas of consensus, specifically including an end to Saturday delivery, the greater the chances it can succeed.

#### April 27, 2014

The National: The Dubai-quoted logistics firm Aramex reported a 14 per cent rise in net profit in the first three months of the year, driven by an increase in online shopping. Aramex said that the growth was driven by an increase in its international express delivery parcel service as consumers across key markets in the Middle East and Africa buy more goods over the internet and pay the company to ship them.

**EXITV**: Postal workers are to be urged by their union to vote against independence in Scotland. The move was agreed at the annual 800-strong conference of the Communication Workers Union in Bournemouth, which has 17,000 members working on postal and telecoms services in Scotland.

**Oregon Live:** Sleuthing by the Wall Street Journal uncovered Amazon's plans to roll out its own delivery network, a development that will surely trouble competing logistics companies and the already-troubled U.S. Postal Service. As Mashable and others note, Amazon is taking aim squarely at UPS and FedEx with its plan, which will let it close the loop between its warehouses and its customers. But it's the venerable Post Office that may suffer the most if its Amazon business goes away. Its trumpeted collaboration to deliver Amazon packages in select cities on Sunday, for example, would be one of the first casualties of an Amazon delivery force. The Sunday delivery deal provided a rare ray of light in the postal service's darkening financial picture. Now it's likely to be extinguished. [EdNote: This isn't the first time Jeff Bezos pulled the rug out from underneath the Postal Service's long hoped-for parcel growth plans. He did the same when Bill Henderson was PMG. How many more rug-pullings will it take before the USPS learns it can't make a long-lastng deal with Amazon's laughing boy?]

**Sioux City Journal**: Losing \$354 million in a fiscal quarter may lead one to cut corners to stop the bleeding. That's my thought as I stand outside the U.S. Post Office at Blencoe. I read a sign scribbled in marker, maybe crayon. I've seen more legible efforts on placards advertising "Free Kittens."

Sun News: Canada Post employees want Canadians to be able to bank on them in the future. In an effort to remain relevant in the face of deep cuts to postal service in Canada, postal employees have begun lobbying to bring back postal banking, which ended in 1969. The Canadian Union of Postal Workers (CUPW) says that the thousands of postal offices across the country should begin offering services such as insurance, savings deposits and checking accounts. The union claims that banking services could generate much-needed income for the corporation, which recently announced the end to door-to-door delivery in response to declining demand for mail services in Canada.

**B**ronx Times: South Bronx Congressman Jose Serrano isn't getting any respect from the U.S. Postal Service. His continued efforts to halt the sale of the landmarked Bronx General Post Office, essentially have been ignored by the federal agency selling the site. The General Post Office was listed for sale in January after months of community outrage. Both Serrano and Diaz were among the elected officials seething over the financially-struggling federal agency's lack of communication with locals about the sale.

# April 26, 2014



<u>Dead Tree Edition</u>: The U.S. Postal Service's traditional reliance on "carrier knowledge" to deliver misaddressed mail is breaking down. But is that good news or bad news? A USPS executive recently warned that the shift to more non-career carriers is likely to reduce the chances that mail with incomplete or incorrect addresses will be delivered correctly. Comments from both front-line employees and mailers

confirm that the trouble has already started.

Bloomberg: United Parcel Service Inc. (UPS) will record a pretax cost of about \$1.05 billion this quarter for changes to union workers' health benefits under a five-year contract approved by the International Brotherhood of Teamsters. The world's largest package-delivery company will make a pretax cash payment of \$2.27 billion to multiemployer funds that will administer active and post-retirement medical benefits for Teamster-represented employees, according to a filing today. The contract covers 253,000 workers. UPS is moving its health-care plans to a system defining its contributions, not the benefits to be paid, for the term of the contract. The multiemployer plan will cover future retirees, and UPS will remove \$1.2 billion in those obligations from its balance sheet, a trade-off worth the one-time hit to earnings, said Kevin Sterling, a BB&T Capital Markets analyst. "That \$1.1 billion is big now, but look at it in five years," said Sterling, who rates Atlanta-based UPS as hold. "It could be huge." Employees will see annual raises averaging 2.4 percent, and UPS is setting a \$10-an-hour wage for new part-time workers. UPS last changed its starting wage in the 1990s, Chief Financial Officer Kurt Kuehn said in a presentation to investors earlier today. Starting pay in some UPS locations had been near the minimum wage, Kuehn said.

The Motley Fool: After news broke that The Home Depot is moving from being a primarily brick-and-mortar operation to more of an e-commerce format, investors are probably wondering what this means for the business. According to an interview conducted by Frank Blake, the company's CEO, opening new retail locations does not make sense due to a combination of growing competition and market saturation. Moving forward, Home Depot's decision to operate electronically could mean a great deal of profit not only for it, but also for shipping companies like FedEx and UPS. Can Home Depot pave the way to the future of retail, or will it, like other retailers, succumb to the power of e-commerce giant Amazon? Currently, UPS and the United States Postal Service handle Home Depot's small delivery packages. However, the company also mentions using the services of FedEx on its corporate site.

**KFYR**: Most people expect long lines when they go to the post office. But the U.S. Postal Service is making changes. Postal employees are using technology to cut down wait times, and customers are welcoming the change. The Postal Service is helping customers skip the line. This week, Mobile Point of Sale devices were introduced at six locations across the state.

April 25,2014

National Association of Major Mail Users: The National Association of Major Mail Users (NAMMU) named Patrick Bartlett as its first Executive Director, effective May 1. Board Chair and Selection Committee Chair, Kristi Kanitz, said "Patrick Bartlett's long-standing engagement with print and mail both within Canada Post and subsequently with industry, give him a unique perspective and skill set. In this new role, we are confident Patrick Bartlett will help move this industry forward and build on the considerable gains of recent months."

Congratulations to PostCom Director (and former Chairman) Joe Schick, who has been named Vice President, Postal Affairs for Quad Graphics.

**Linn's:** the chief marketing officer of the USPS announced that the federal agency is "actively looking for ways to build new business lines around what not long ago might have been considered science fiction," according to several news accounts. Manabe went on to describe some marketing ideas that have been widely discussed, such as delivering groceries and other goods on a same-day basis. Manabe's speech appears to be at odds with "key aspects" of the USPS's privacy policy, as posted on the USPS.com website. It's not the first time Manabe has stepped into controversy. Some members of Congress have questioned the wisdom of a contract she approved for a study of stamp usage. The reality is that being the chief marketing officer for the U.S. Postal Service has never been an easy job, especially for an outsider like Manabe.

**Brown Cafe:** United Parcel Service Inc. (UPS) will record a pretax cost of about \$1.05 billion this quarter for changes to union workers' health benefits under a five-year contract approved by the International Brotherhood of Teamsters. The world's largest package-delivery company will make a pretax cash payment of \$2.27 billion to multiemployer funds that will administer active and post-retirement medical benefits for Teamster-represented employees, according to a filing today. The contract covers 253,000 workers. Employees will see annual raises averaging 2.4 percent, and UPS is setting a \$10-an-hour wage for new part-time workers. UPS last changed its starting wage in the 1990s.

#### Mailers' Technical Advisory Committee (MTAC) MTAC Association Executives, Representatives, and Leaders: Please join us in welcoming Judy de Torok, (A) Manager Industry Engagement and Outreach and Dale Kennedy Manager, Business

Customer Support & Service to the MTAC Executive committee. You can find their contact information in the updated <u>MTAC roster</u> located on <u>RIBBS</u>. We hope to see you at the MTAC meeting in May. If you have not sent in your RSVP, please email <u>IndustryFeedback@usps.gov</u>. The May MTAC <u>meeting agenda</u> is available on the MTAC RIBBS site under MTAC Meeting Agendas 2014.



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

- The Association for Postal Commerce (PostCom) held its semi-annual meeting this month where it discussed issues and challenges facing the mailing industry.
- Here is the summary of the provisions ostensibly now a part of Representative Darrell Issa's re-work of some sections of his postal reform bill which would permit private delivery of mail to mailboxes on any day the Postal Service does not do scheduled mail delivery. That would mean Sundays to begin, and would include Saturdays if the USPS abandons mail delivery on Saturday. It also includes provisions for refunding FERS, paying on half of its prefunding requirement for 2015 and 2016, delivery point modernization, and post office protection.
- The USPS Office of Inspector General has released a new white paper titled "Like, Share, Tweet: Social Media and the Postal Service." It believes that "[m]ost businesses and organizations now view social media as an opportunity to reach and engage with large customer audiences in ways impossible before: directly, in-real time, and at a lower cost. Likewise, the U.S. Postal Service (Postal Service) could better use social media to obtain these benefits. Effectively integrating social media into an omnichannel marketing and communication strategy can offer businesses numerous benefits."
- The U.S. Postal Service has issued a document of its own addressing some of the issues that have been raised by the APWU and its colleagues in opposition to the recent deal with Staples for the provision of over-the-counter retail postal services.

- The Postal Regulatory Commission (PRC) this week issued its final report, "Impact of Discontinuance of Saturday Delivery for Letters and Flats," prepared by independent economic think tank Swiss Economics. The report attempts to look at the impact on discontinuance of Saturday delivery of letters/flats only as well as discontinuance of Saturday delivery for all mail, using a model simulation to estimate cost impacts from a variety of possible scenarios.
- Andre Pharand, Accenture, at the recent PostalVision 2020 conference provided key findings from Accenture's 2014 global postal industry research and insights, "Revitalization: The Success Of New Postal Models Achieving High Performance in the Postal Industry."
- USPS Inspector General David Williams talked at the recent PostalVision 2020 conference about enhancing the value of mail for digital natives. Accompanied by members of the OIG (Office of Inspector General) team, Williams talked about how the union of smart devices and social networking have allowed people to work, shop, research, and interact – and how that has had a profound impact on mail. "Don't count out the mail side," Williams told the PV2020 audience, "but we need to do things to infuse new value all along the supply chain."
- USPS Vice President of Secure Digital Solutions Randy Miskanic, and Jeremy Grant, NSTIC (National Strategy for Trusted Identities in Cyberspace) at the recent PostalVision 2020 conference discussed the USPS' forays to date into the digital world. Miskanic said that the USPS soon will be going live with the FCCX (Federal Cloud Credential Exchange) initiative.
- Representatives from DeutschePost and Post Italiane at the recent PostalVision 2020 conference shared the experiences and strategies of their posts in the digital arena. Peer Bentzen, DeutschePost, gave attendees of an overview of E-POST, which he said, in combination with DeutschePost's parcel strategy, stopped the downward spiral of the post's profits. Ulisee Del Gallo, Poste Italiane, said that mail volume in Italy is decreasing rapidly each year, but the post's BankPost and insurance businesses are huge, serving about 10% of the 60 million people in Italy and is the largest online bank in Italy.
- Marshall Van Alstyne, Boston University and MIT, told attendees of the recent PostalVision 2020 conference that industry can help save the USPS by creating whole new marketplaces. He shared one idea using a QR code as a stamp which he said would be a win-win for the USPS, customers, and businesses.
- Brian Bieron, executive director of eBay's Policy Lab, told attendees of the recent PostalVision 2020 conference that the largest internet mobile technology companies in the world are focused on enabling commerce by all sizes and types of businesses from individual home businesses up to large retailers. The reality is that the internet is global, he said, and commerce is evolving in a way it has not done before that includes global. Farah Abdallah, innovation expert, told the PV2020 group that the global delivery business presents opportunities for posts and new value propositions to enable international ecommerce.
- A panel of global industry experts at the recent PostalVision 2020 conference discussed aspects of global ecommerce and cross-border shipping that represent friction points in the growth of the industry.
- Brody Buhler, Accenture, gave attendees of the recent PostalVision 2020 conference an overview of Accenture's findings in its recent Global Consumer Control research around consumers and the interactions between businesses and consumers. Whether you call it consumer control, preferences, profiles, etc. the research says it has to be more than that. The value of these services to the consumer is nice, Buhler said, but what really matters is how it impacts the senders of mail.
- PRC grants USPS petition to end Alternative CRA. USPS requests a stay on exigent requirements. Amazon delivers pasta, pickles, and popcorn with Prime Pantry. FedEx Office answers demand for mobile printing with new app. Senate postal bill would cut workers comp for feds across the government. Newspaper industry takes it on the chin, again. To increase productivity, UPS monitors drivers' every move. Ladies' Home Journal to cease monthly publication. Hybrid mail a decade later.
- Announcements from the U.S. Postal Service
- Postings from the Federal Register
- Announcements on recent reports, projects, and blog entries of the USPS OIG.
- Over There . . . International News
- Postal Previews

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



Reuters: British government ministers and bankers responsible for the sale of Royal Mail will face another round

of questioning by lawmakers next week over whether the state postal operator was sold off too cheaply.

# At the Postal Regulatory Commission:

Vacancy Number	Position	Closing Date
PRC 04-14	Customer Service Assistant	May 09, 2014
PRC 02-14	Legal Assistant	May 09, 2014
PRC 06-14	Research Associate	May 27, 2014
PRC 05-14	Rate and Cost Analyst	May 27, 2014

# **Employment Opportunities**

Erom the Federal Register: Postal Regulatory Commission NOTICES New Postal Products, 23021– 23022 [2014–09370] [TEXT] [PDF]

Wall Street Journal: Trucks loaded with Amazon packages and driven by Amazon-supervised contractors leave this parking lot for homes and offices around San Francisco. Similar efforts are under way in Los Angeles and New York, Delivering its own packages will give Amazon, stung by shipping delays last Christmas, more control over the shopping experience. The retailer will gain flexibility regarding when packages are delivered and help in containing shipping expenses, which grew 29% last year. As a percentage of sales, Amazon's shipping costs have grown each year since 2009, according to securities filings. Just as important, the new delivery efforts will get Amazon closer to a holy grail of e-commerce: Delivering goods the same day they are purchased, offering shoppers one less reason to go to physical stores. With its own trucks, Amazon could offer deliveries late at night, or at more specific times.

**Mathebus**: Over \$9,000,000 periodicals spend annually plus all of the lettermail and reply mail that supported the title. Postage comprised 47% of the overall costs for Ladies Home Journal. Above CPI increases on such a large percentage of costs for a struggling magazine – the math doesn't work. Well over \$9,000,000 lost revenue to the USPS, 100 industry jobs lost and a publication with a 131 year pedigree shuttered. The entire current Ladies' Home Journal staff, including its editor, Sally Lee, has been laid off.

# April 24, 2014

WHOA!! GAME CHANGER!!! Take a look at the summary of the provisions ostensibly now a part of Mr. Issa's re-work of some sections of this postal reform bill which would permit private delivery of mail to mailboxes on any day the Postal Service does not do scheduled mail delivery. That would mean Sundays to begin, and would include Saturdays if the USPS abandons mail delivery on Saturday.

The Express: Many of us send friends and family a postcard from our holidays abroad but have you ever sent one from underwater? Well now you can. These stunning images show the world's first underwater post office, which allows holidaymakers to send their loved ones a message from under the sea. The amazing amenity is situated off the coast of Hideaway Island, Vanuatu in the South Pacific Ocean. Vanuatu Post is submerged in the crystal waters 50 metres from the white sandy shore of the paradise island. Tourists are able to don masks, fins and snorkels or full diving gear to visit the post office, which was made from a large fibreglass water tank. Once there they are able to post special postcards which have been treated to make them waterproof. The postcards are collected daily by dive masters from the island and taken on to postal services to be sent.

The Jersey Journal: The U.S. Postal Service is concerned about the delivery of Every Door Direct Mail-Retail mail pieces in Hoboken, as reported by The Star-Ledger (<u>"Our check is on the mail," Bamboozled, April 21</u>). This is a good service and users enjoy its success. So, we appreciate that a disappointing response to a promotion — in this case, no response — raises questions for the mailing itself. We've had several discussions with the mailer, interviewed the delivery personnel, contacted other Hoboken Every Door Direct Mail-Retail users, reviewed the data for inquiries from other Hoboken customers, and examined the delivery points where addressees reported no recollection of this mail piece. The Hoboken postmaster will continue to work with the mailer and restore his confidence in our work.

ECNET: Bringing home delivery to a new level, Amazon launched its dry goods grocery delivery service on Wednesday dubbed Prime Pantry. The service lets Prime customers get boxes full of snacks, beverages, cleaning supplies, and more sent to their doorsteps. The way the service works is customers can select items to buy from Amazon's Prime Pantry Web site -- such as dog food, laundry detergent, potato chips, and hand lotion -- and Amazon will fill a box and send it to the customer's home. Each box comes with a \$5.99 flat delivery fee no matter how many items customers buy. "As you shop, you see that each Pantry item tells you what percentage of a Pantry box it fills based on its size and weight," the company writes on its Web site. "Pantry boxes are large and can hold up to 45 pounds or four cubic feet of household products. As you check items off your list, we continuously track and show you how full your box is."

The Times of India: E-commerce giant Amazon, whose founder and CEO Jeff Bezos recently spoke of the possibility of drones dropping goods to US homes in the near future, is embracing the neighbourhood kirana store to push the delivery advantage in India. This week in Bangalore, Amazon, in what's a first in India, started piloting the concept of enlisting kiranas as delivery points. The move can help it overcome the problem of failed deliveries, a pain point for most e-tailers globally, making the last-mile logistics less complicated.

# **From the Federal Register:**

Postal Regulatory Commission		
NOTICES		
New Postal Products,		
22836–22837 [2014–09345]	[TEXT] [PDF]	
Postal Service		
PROPOSED RULES		
Collection of Delinquent Non-tax Debts by Administrative Wage Garnishment,		
22786–22787 [2014–09295]	[TEXT] [PDF]	
NOTICES		
Meetings; Sunshine Act,		
22837 [2014–09374]	[TEXT] [PDF]	
Product Changes:		
Priority Mail Express Negotiated Service Agreement,		
22837 [2014–09292]	[TEXT] [PDF]	

Priority Mail Negotiated Service Agreement,	
22837 [2014–09294]	[TEXT] [PDF]

BusinessWire: Since the launch of its first mobile printing solution in 2010, FedEx Office has seen demand for mobile and cloud-centered printing options rise among its customers. Today, with the release of the newest FedEx Office mobile printing app, the convenience of these options is expanding to the millions of iOS and Android users in the U.S. The release also builds on the company's existing suite of award-winning digital printing technology, including FedEx Office Print & Go, FedEx Office Print Online and more. The FedEx Office app is optimized for the iPhone, iPad and Android platforms. With 455.6 million mobile phones sold worldwide in the third quarter of 2013—94 percent of which leverage the Android and iOS operating systems—the new print app can be easily downloaded and accessed by on-the-go professionals who make up a significant portion of the FedEx Office customer base.

Wall Street Journal: The national union representing United Parcel Service Inc. employees voted Wednesday to override three local bargaining units that were holding out on approving parts of a five-year national contract with the delivery company. The bold and unusual move, described in an internal memo viewed by The Wall Street Journal, took local union leaders by surprise. In the memo, the International Brotherhood of Teamsters said that the UPS national negotiating committee "voted overwhelmingly" to declare the new contract in effect. This decision supersedes prior rejections by three locals of parts of the national contract, known as riders or supplements, that address issues such as wages for part-time employees, pension contributions and overtime restrictions.

## April 23, 2014

The U.S. Postal Service has issued <u>a document of its own</u> addressing some of the issues that have been raised by the APWU and its colleagues in opposition to the recent deal with Staples for the provision of over-thecounter retail postal services. *[EdNote: Do the world a favor. Go buy a pencil tomorrow at Staples. You can wave to the protesters on the way in and on the way out. Remember the APWU? They're the ones that want to screw flats mailers to the wall for simply complying with the Postal Service's requirements associated with its failed flats program.]* 

# St the Postal Regulatory Commission:

• Docket No. R2013-11 - Motion Of The United States Postal Service Requesting The Stay Of Certain <u>Reporting Requirements From The Commission'S Order Granting Exigent Rate Increase</u> -- "The Postal Service respectfully requests that the Postal Regulatory Commission ("Commission" or "PRC") stay those portions of its Order Granting Exigent Price Increase ("Exigent Order"), in which the Postal Service was directed to: 1) report the incremental and cumulative surcharge revenue to the Commission 30 days after the end of each quarter; 1 and 2) file a report with the Commission, no later than May 1, 2014, that includes a proposed plan for removing the exigent rate surcharge."

[EdNote: Oh, let me get this straight. First, the USPS forces mailers to pay more than inflation, then begs the PRC to exempt them from the reporting requirements the Commission imposed as a result of approving the increase. They're not bothering to ask an exemption of the exigency increase pending the court's decision. Hell! They made us pay! Make them comply!! ]

- Quarterly Statistics Reports, Quarter 4, FY 2013, and Quarter 1, FY 2014
- <u>http://www.prc.gov/docs/89/89678/Letter\_QuartStatRep\_Q4FY\_20140423154943.pdf</u> <u>http://www.prc.gov/docs/89/89678/QSRfy2013-q4.pdf</u> <u>http://www.prc.gov/docs/89/89678/QSRfy2014-q1.pdf</u>
- Postal Service Active Employee Statistical Summary (HAT Report), Pay Periods 08-09, FY 2014. http://www.prc.gov/docs/89/89679/HAT%20report%2009.pdf http://www.prc.gov/docs/89/89679/HAT%20report08.pdf http://www.prc.gov/docs/89/89679/Letter\_HAT\_PP08-09\_FY14\_20140423155028.pdf

 RM2014-2 Order No. 2061 - Order Granting Petition to Eliminate Rule Requiring Alternative Format CRA Report <u>http://www.prc.gov/docs/89/89665/Order\_2061.docx</u> <u>http://www.prc.gov/docs/89/89665/Order\_2061.pdf</u>

The Jerusalem Post: Snail mail has always had a bad rap. But you think we had it bad till now? It might soon get a whole lot worse. A word of caution: This is a global trend and not a uniquely Israeli phenomenon. The advent of the Internet, email, assorted social networks and cellphone messaging applications has expectedly hit traditional mail services hard, and this is true everywhere. By and large, most people nowadays no longer rely on written letters as their primary mode of communication. The inevitable upshot is that most postal services the world over are sinking ever deeper into the red and struggling to keep going. Israel is no exception.

The Motley Fool: The Teamsters' Local 89 Union at United Parcel Services' famed Worldport Hub has once again voted down the proposed Louisville air supplement in a vote of 2804 against and 185 for the proposal. This marks the second time that the contract has been voted down, and it highlights the ongoing strain between UPS and one of the company's most important local unions.

**<u>KTVI</u>**: The US Postal Service has been struggling over the past decade, losing billions of dollars because of the decline in mail volume and the rise of the internet and electronic mail. Now there are new strategies and new partnerships in place to keep the US Postal Service going.

Retail & Marketing: As more Canadians turn to online shopping, courier operator FedEx hopes an agreement to open shipping centres at Home Hardware Stores Ltd. will help it grab a larger piece of the growing e-commerce market. Federal Express Canada Ltd. said Wednesday that the centres, which serve as mini-hubs, will offer more "points of access" for customers to drop off and pick up parcels.

**24/7Wall St.**: Could the USPS go through an initial public offering of its own? The major hurdle is the postal service's enormous pension obligation and whether or not that would be part of the deal. Far simpler to contract out the labor-intensive postal window business.

Postal Technology International:

- <u>Itella launches €10m project to improve e-commerce fulfillment services</u>
- UPS expands insurance offerings to protect supply chains for business customers
- USPS supplies new technology to six post offices in North Dakota
- DPD breaks ground on €11m parcel distribution centre in Germany's Dinkelsbühl
- Domestic payments made via Lithuania Post's PayPost outlets double in one year
- DHL expands express delivery partnership with IDEXX Laboratories

InformationWeek: US Postal Service wanted to virtualize its systems for auditors working in the field but didn't have room for added storage. It found the answer in a specialized appliance. The Postal Service's Office of the Inspector General (OIG) is migrating to a virtual desktop environment that soon will give its traveling investigators anytime, anywhere, any device access to the applications and data they need to do their jobs. Looking to transform its IT infrastructure and better support its users and mission, while also meeting a federal datacenter consolidation mandate, the OIG's IT team last year began to explore the idea of building out a virtual environment that eliminated the need for a costly, complex, and space-devouring storage-area network (SAN) architecture. "Almost 1,000 of our 1,100 full-time employees are true mobile workers," says Gary Barlet, CIO in the OIG. "Some only go to the office a few days a week. They're investigators working on cases and auditors out at various postal facilities. The concept of having to be tied to a specific location or a specific device to do their work just doesn't fit well in that environment."

Sharpen your postal smarts. Become a Member of PostCom.

**Join Jessica Dauer Lowrance, Executive Vice President, PostCom** on Tuesday, May 13, 2014 for a discussion on *"How the USPS Uses Its Current Pricing Authority"*, and understand the potential changes you could be facing with the current legislative efforts. Title: Demystifying the Postal Price Cap Scenarios Date: Tuesday, May 13, 2014 Time: 1:00 PM - 2:00 PM EDT. Reserve your Webinar seat now at: https://www1.gotomeeting.com/register/394089704

# **Industry Outreach** If you haven't done it in a while, you owe it to yourself to check out what's new on the **Postal Service's RIBBS web site**.

Attention Postal One! Users: The "Heartbleed" bug hasn't affected Postal Service websites that require customers to provide usernames and passwords, according to USPS IT and the Corporate Information Security Office (CISO). "USPS was not vulnerable — nor is it today — to the threat that Heartbleed was responsible for creating," said CISO Manager Chuck McGann. "Information Technology and Corporate Information Security continue to evaluate the situation on a daily basis and provide updates to our customers as warranted." Because the Postal Service was not using security software susceptible to the bug, its certificate keys are not susceptible to exposure, McGann said. However, USPS will update these certificates and work with Web service providers to monitor threats. In addition, USPS has updated its websites to restrict access from older Web browsers. Employees and customers using browsers older than Internet Explorer 7.0 no longer will be able to access usps.com. Browsers now must support Advanced Encryption Standard, 256-bit encryption capability to conduct secure transactions with USPS websites to update their usernames and passwords on each site. "The Postal Service is committed to providing a safe and secure online experience for customers," said IT Manager of Marketing Relationship Management Robert Dixon. "We will continue to monitor the Heartbleed situation and protect sites accordingly."

**WJLA**: Joe Davidson, Federal Diary columnist with The Washington Post, discussed how Congress plans to stabilize the USPS, with Capital Insider.

Wall Street Journal: A postal-workers union is ramping up a campaign to try to slow the U.S. Postal Service's partnership with Staples Inc., including asking unionized teachers to boycott the chain and buy school supplies elsewhere.

Federal News Radio: As agencies move applications and services to the cloud over, two common themes emerged. First is the initial step toward the cloud usually begins with virtualization across multiple platforms: applications, server, desktop and user. Cloud then opened the door to enabling mission operations in a mobile environment. Federal employees could take advantage of smartphones and tablet computers to input or review data in real-time, and improve access to applications no matter where they are working. The Postal Service's Inspector General's office, for example, virtualized more than 400 servers serving both its front end infrastructure and back-end storage and computing power. By virtualizing, the USPS OIG now is moving toward a bring-yourown-device or BYOD strategy to let employees take advantage of the virtualized environment securely and efficiently. Other agencies are following suit.

**Naharnet**: Egypt's next president will have to contend with frustrated workers who have threatened a new wave of nationwide strikes if their demands are not met by an already cash-strapped government.

Evansville Courier & Press: A former U.S. Postal Service employee from Dawson Springs, Ky., has been sentenced to six months in prison and six months of home detention for destroying, hiding and delaying delivery of thousands of pieces of mail At least 44,900 pieces of mail were affected, said David J. Hale, United States Attorney for the Western District of Kentucky.

Western Daily Press: A postmistress in a Cotswolds village stole thousands of pounds of parcels containing jewellery, clothing and antiques, it was alleged in court yesterday.

**Daily Journal**: A St. Louis woman faces up to 15 years in federal prison after admitting she opened and stole packages while working as a supervisor at a southwestern Illinois post office.

Bangkok Post: A man vented his anger online after Thailand Post allegedly folded an envelope with a 'Do Not Fold' notice on it. A two-and-a-half minute video clip of the frustrated man showing the folded envelope and a damaged picture inside it was uploaded to YouTube by Apichart Samsa-nugan on Sunday. In the video clip, the man complained that the picture was damaged because Thailand Post failed to follow the the 'Do Not Fold' notice clearly written on the envelope by the sender. "The picture of the monk is not expensive but it has a lot of sentimental value. "Can't you (Thailand Post staff) read, you monitor lizard? If you can't do your job then go raise buffaloes at home," the man said. Many netizens shared their thoughts on the national state-owned Thai postal service, saying they were also disappointed by its services. YouTube user Siwasak Glinsubun wrote that his friend mailed him an expensive computer mouse but he did not get it because it was stolen at Thailand Post and they refused to take responsibility. Another YouTube user whiterope tuok wrote, "I put a 'Handle with Care' notice on my envelope but I saw the staff throwing it in front of me."

The Standard: Thousands of Londoners are battling postal chaos they blame on Royal Mail's doorstep rival. Homeowners in Mill Hill, Harrow and other parts of north and west London blame TNT Post for a wide array of errors, with some residents saying "lazy" TNT postmen are dumping a whole street's mail in one customer's letter box for them to distribute to their neighbours. Others report that they have missed sensitive bank correspondence and failed to pay bills after letters were continuously delivered to their old home, despite paying Royal Mail as much as £54.99 for six months' diverted mail services. A senior postal source admitted privatised Royal Mail does not pass on re-direction notices to Dutch-owned TNT, which began its delivery operations in west London in April 2012 and has since expanded across the capital.

From the Federal Register: Postal Regulatory Commission NOTICES New Postal Products, 22708– 22709 [2014–09252] [TEXT] [PDF]

## April 22, 2014

Fedweek: USPS Customer Service Operations has successfully managed periods of package growth, employee work-hours, and scan rates at delivery units, the Postal IG has found. It said however that opportunities exist to enhance readiness by improving acceptance scan rates, decreasing customer wait time in line during the holiday mailing season, enabling a Passive Adaptive Scanning System revenue-protection function, and reducing the number of non-barcoded packages to provide end-to-end tracking for customers.

Smithsonian National Postal Museum <u>National Postal Museum</u>: The Smithsonian's National Postal Museum is hosting Family Fun Day Saturday, May 10. The event will celebrate two different yet uniquely connected themes: Chinese heritage and National Train Day. Through

special exhibits, programs and events, the museum will showcase how trains and the people of China have long shared a very special place in American history. The museum will offer a variety of educational activities and demonstrations throughout the day, providing visitors of all ages opportunities to learn, engage and take part in fun-filled activities. Visitors can participate in a special celebration of the 145th anniversary of the completion of the intercontinental railroad as the museum honors the Chinese immigrants who built it.

Minot Daily News: U.S. Senators Heidi Heitkamp and John Hoeven announced Monday that the U.S. Postal Service will be introducing Mobile Point of Sale devices in six locations across North Dakota this week.

**<u>YLE</u>**: From Tuesday mail workers begin covering new daytime delivery routes, to accommodate some of the 500 job cuts that postal services company Itella is making. Despite company claims that post will arrive as before, union reps are warning that longer distribution rounds for the remaining staff will result in slower delivery times.

**WKYT**: A postal service worker has been caught on CCTV throwing parcels from truck windows instead of delivering them. The worker was seen chucking parcels - reportedly including a HD Kindle Fire worth around \$400 - on to the driveway of a home in Georgetown on Saturday. The owners were perplexed as to why their parcels had not been delivered properly and watched back their CCTV to find out.

Office of the Inspector General: Like, Share, Tweet: Social Media and the Postal Service (RARC-WP-14-010) While the U.S. Postal Service is among the 70 percent of businesses and organizations worldwide that are active on social media, a stronger, more robust social media strategy could help the agency remain competitive in the digital age. A new white paper from the U.S. Postal Service Office of Inspector General says such a strategy would help the Postal Service to respond better to changing communication needs, improve the customer experience, create value through social commerce, cut costs, and even develop new products and services for new revenues.

**BroadwayWorld:** According to recently filed court documents, the two owners of a 20% market share of "The UPS Store" franchise locations in Manhattan have responded to a lawsuit filed by The UPS Store, Inc. ("TUPSS"), United Parcel Service, Inc. and United Parcel Service of America, Inc. (collectively "UPS") with counterclaims and a third-party complaint seeking more than \$50 Million in damages, plus punitive damages, costs, attorneys' fees and other relief. The papers were filed on April 16, 2014 in New York Federal Court in lower Manhattan in the action entitled, The UPS Store, Inc., et al. v. Robert Hagan, et al. (S.D.N.Y., 12-cv-1200-WHP).

The Motley Fool: The burgeoning e-commerce market has opened up a sea of opportunity for delivery companies. So much so that the second-largest parcel carrier, FedEx, sees global e-commerce as one of its biggest growth drivers. FedEx's success will depend on how well it is able to mold its services to the need of the industry.

Daily Mail: The Zambia Postal Services (Zampost) has introduced soft loans for buyers of re-conditioned motor vehicles from Japan through its micro-finance subsidiary and has set aside K5 million for the scheme. Post master general McPherson Chanda said at a press briefing in Ndola last week that the top-up loans, which were with effect from Wednesday last week, will be accessible up to a maximum of 20 percent of the vehicle import cost through Zampost.

Federal Times: The Postal Service does not properly track its sale and maintenance of its historic properties, according to an April 21 Inspector General's report.

**Bloomberg Businessweek:** As if the U.S. Postal Service didn't already have enough to worry about, it has now become the target of gun enthusiasts, who are accusing the agency of stockpiling ammunition as part of a broader government plot to deprive Americans of their liberties. [EdNote: Did it ever dawn on anybody that the USPS has its own police force.....the Postal Inspection Service.....They carry guns. Helloooo!]

**Wall Street Journal:** One interesting item in the Federal Reserve's beige book, released last week, was a report from the Minneapolis Fed that "in the energy-producing areas of North Dakota, the U.S. Postal Service and its union recently agreed to pay increases of up to 20% for rural carriers." According to the Associated Press, the postal service is having a hard time, competing even with fast-food restaurants to find workers in western North Dakota, the site of the Bakken oil fields and a state with a 2.6% jobless rate.

#### April 21, 2014

The Australian: Australia Post's digital mailbox initiative, unveiled by chief executive Ahmed Fahour in 2012, must be struggling, judging by the monopoly postal service's bizarre submission to the financial system inquiry. Post makes the arguable point that the big four banks stifle competition and don't have a great track record on innovation, but then invites ridicule by putting up the major bank-owned BPAY — operator of the rival digital mailbox service BPAY View — as an example. Apart from BPAY's "unique ownership arrangements", it puts forward no evidence other than its rival's "dominant market share". The words pot, kettle and black spring to mind.

**Trefis:** United Parcel Service is set to announce its first quarter 2013 earnings results on April 24 2014. We expect that the shift in customer preference towards more economical means of shipping packages will continue to negatively impact revenue per package for the company. However, continued growth in e-commerce sales and international trade will drive up package volume and should help boost revenue.

Milwaukee Journal-Sentinel: FedEx Ground Package System Inc. is proceeding with plans to build a large distribution center in Menomonee Falls that would have over 450 employees. FedEx would develop the 202,950-square-foot building on 30 acres on the south side of County Line Road, west of Held Drive, according to a village report. Most of the building would be used as a distribution center, with 8,625 square feet set aside for offices. At full capacity, the proposed facility would have 466 employees, including 74 office employees, the report said. It said 205 of the center's employees would be full time, and the facility would operate 24 hours a day, seven days a week.

**EXAMPLA** Services. The Azerbaijani postal operator, "Azerpoct" LLC is preparing itself for provision of micro-credit services. The postal operator is planning to apply to the Central Bank of Azerbaijan (CBA) for obtaining a license in this regard. As the Communications and High Technologies Ministry reported earlier Azerpoct LLC is ready to proceed with the issuance of microcredit through banks' mediation and without a banking license- as it is practiced today in a number of CIS countries. None of the banks in this area can compete with the postal operator because of its branching network, which in turn affect the economic activity in the regions of Azerbaijan.

Daily Mail: Thousands of letters are being dumped or delivered late by Royal Mail's doorstep rival. Customers blame TNT Post for missed hospital appointments, lost bills and delayed medical test results. The company's orange-clad staff are paid according to how quick they are – giving them an incentive to ditch mail. Letters have been found dumped in undergrowth in Manchester and London.

Washington Post: Rep. Darrell Issa may introduce a U.S. Postal Service overhaul bill next week that more closely tracks with a White House plan, a move that the California Republican hopes will help rally more Democrats, congressional aides say. With the clock ticking on his tenure as chairman of the Oversight and Government Reform Committee, Issa, the leading House advocate for legislation to overhaul the financially troubled agency, may introduce the bill as soon as next week, when Congress returns from its break. The new strategy comes as roadblocks in the House and Senate continue to dog a three-year effort to stabilize the Postal Ser-vice. The Senate, after painstaking negotiations, passed one postal bill in the last Congress in 2012, but an overall agreement remains elusive. But nothing has had enough support to pass, and leaders of the Democratic-controlled Senate and Republican-controlled House are not inclined to bring them to a vote before the midterm elections, congressional aides and Postal Service observers say.

East Bay: United Public Workers For Action -- "The national protest on April, 24, 2014 called by the American Postal Workers Union APWU and other postal unions is an important step in fighting the privatization and destruction and looting of our US post office. It is not only the Republicans that are pushing these attacks by Democratic politicians in every state, the corporate controlled Congress and the Obama administration which wants to end 6 day service."

Washington Post: Plans to stabilize the money-losing U.S. Postal Service have been bouncing around Capitol Hill for a long time, long enough to make you wonder if Congress will ever do anything about it. The proposals are designed to help the Postal Service deal with a changing business climate that left it with a net loss of \$5 billion in fiscal year 2013. Yet if the legislation in the Senate becomes law, its reach will extend well beyond the postal facilities and those who work there. The measure could have a significant impact on many federal employees, particularly those who are injured. That worries feds across the government. The overall bill won bipartisan approval in the committee with a 9-1 vote in February and the full Senate voted 62-37 on the same measure two years ago. The one "no" vote in February was cast by Sen. Jon Tester (D-Mont.). He complained that the legislation "includes sweeping changes to the federal workers compensation program, even though the committee has yet to hold a single hearing on the issue." It certainly seems there was time to hold a hearing, given how long the provision has been around. And the Senate seems in no rush to move the legislation now. *[EdNote: Labor's not alone. S. 1486 as it currently is written would make rotten law. As the late PostCom luninary Lee Epstein once told a congressional legislator about a postal bill he had written that Lee didn't like: "I've seen your baby. And your baby's ugly."]* 

April 20, 2014

**Associated Press:** Newspaper industry revenue in the United States fell last year, as increases in circulation revenue were not high enough to make up for shrinking demand for print advertising, an industry trade group said on Friday. The Newspaper Association of America said revenue fell 2.6 percent to \$37.6 billion in 2013. Circulation revenue rose 3.7 percent to \$10.9 billion, the second straight year of growth. Advertising revenue fell 6.5 percent to \$23.6 billion. Digital advertising revenue increased 1.5 percent to \$3.42 billion. But that wasn't enough to offset an 8.6 percent drop in print advertising revenue to \$17.3 billion.

## April 19, 2014

Engadget: If you've never contacted your congress person then you might not realize how difficult our politicians have made it to get a hold of them. There are 535 members of the House and Senate all whom have some arcane contact form on their websites that obscure their direct email address. It's inconvenient for a single person to write a letter to all their elected representatives. But for organizations looking drive letter writing campaigns it's a nightmare. Individuals wont want to visit three separate sites as part of a push to pass or block a piece of legislation. And while there are services out there that can automate part of the work by routing messages to the right email addresses, they charge thousands of dollars a year for access to their tools and databases. The Electronic Frontier Foundation and The Sunlight Foundation saw the need for a better solution and asked the open source community for help. After just a couple of days of marathon coding, the advocacy groups had their answer: Contact-Congress. The idea is to allow easy mass messaging of members of congress through a simple form. The core of the system is a database of email addresses and contact forms that have been hacked together from the various sites for elected officials. And that database is open to be used in other ways, beyond simply sending out form letters from an angry electorate.

**INPR:** The American workforce might want to pay attention to all those brown trucks full of cardboard boxes. UPS is using technology in ways that may soon be common throughout the economy. On the surface, UPS trucks look the same as they did more than 20 years ago, when Bill Earle started driving for the company in rural Pennsylvania. But underneath the surface, Earle says, the job has changed a lot. The thing you sign your name on when the UPS guy gives you a package used to be a piece of paper. Now it's a computer that tells Earle everything he needs to know. The computer doesn't just give advice. It gathers data all day long. Earle's truck is also full of sensors that record to the second when he opens or closes the door behind him, buckles his seat belt and when he starts the truck. Technology means that no matter what kind of job you have — even if you're alone in a truck on an empty road — your company can now measure everything you do.

**Lawyers.com**: The accuracy of forecasting a future event is based upon the validity of present facts and information, and generated within a program of patterns relying upon past models. But as present circumstances can change at any given moment, and unforeseen variables can alter the patterns modeled on previous occurrences, the science of forecasting can be a precarious venture into the foolish unknown. For Federal and Postal employees preparing to file for Federal Disability Retirement benefits through the U.S. Office of Personnel Management, whether the Federal or Postal employee is under FERS or CSRS (although, as the latter category is becoming more of a rarity, one may forecast that in a decade or so, the designation of "CSRS" may well become expunged from the lexicon of recognizable acronyms; just another forecast). Attempting to achieve some semblance of knowledge such that one can peacefully predict future outcomes is a natural desire; basing all hopes upon the certainty of a future forecast may be an act of monumental folly; the alternative is to have a balanced approach, and to recognize that the probability of a predicted outcome may approach a reasonable degree of certitude, but with potential pitfalls based upon unknown variables still to be encountered. Or, as most of us would do it, wet one's forefinger, put it up into the air, and declare a bold prediction with little or no knowledge or factual basis upon which to rely.

BBC: Delivering mail to Scotland's 94 inhabited islands - not to mention hundreds of remote communities in the Highlands - is an expensive business. The complex logistical operation involves trains, planes, ferries, Land Rovers and vans, not to mention an army of posties, six days a week. In the case of remote islands like Auskerry in Orkney, which has just a single family, it is delivered by a fisherman on his boat. Yet until now, no-one has thought twice about such costs. But now that Scottish independence is a possibility, it has become apparent that Royal Mail is, in effect, subsidising its remote Scottish operations with income from customers elsewhere in the UK. New York Daily News: Viewers who have been begging for a TV drama that's not laced with sex or violence will find their prayers answered with Hallmark's new scripted series "Signed, Sealed, Delivered." But those viewers will pay a price. The characters, all of whom are terribly likable, speak as if they are reading from Hallmark greeting cards.

**Salina Journal**: During the five years since rural mail carriers stopped delivering mail to her home, Geraldine Kohman said she's written a stack of protest letters. Some correspondence to her Washington, D.C., lawmakers, the U.S. Postal Service and Dickinson County officials has been mailed from the post office in Hope, 14 miles round trip from her home. Other letters have been sent by email. Regardless of how they were sent, few of her letters have been answered.

# **From the Federal Register:**

Postal Regulatory Commission		
NOTICES		
New Postal Products,		
22169–22170 [2014–08953]	[TEXT] [PDF]	
22169 [2014–09004]	[TEXT] [PDF]	
Postal Service		
RULES		
Rules of Practice in Proceedings under the Debt Collection Act,		
22025–22028 [2014–08963]	[TEXT] [PDF]	

**Associated Press:** A former U.S. Postal Service employee in Anchorage was arraigned today on charges he accepted at least \$334,000 in disability and worker's comp payments while he spent his summers fishing. The U.S. attorney's office says in a release that 56-year-old Amacio Zamora Agcaoili Jr. was indicted by a federal grand jury on 18 counts, including theft of government funds. They claim every summer between 2009 and 2013, he went dipnetting and fishing on multiple occasions despite being on disability.