

### 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 June 2013

June 30, 2013

The Independent: Scotland would be left without a six-day postal service and poorer mobile phone and broadband coverage if it left the UK, new analysis by the coalition claims today as it steps up pressure against independence. People living in a newly independent Scotland could be faced with roaming charges when they crossed the border into England, and even those with homes south of the border could incur charges if their phones connected with a mast on the other side, the report claims. The Consumer Affairs minister, Jo Swinson, who has a Scottish constituency, will publish the latest in a series setting out the case for keeping the union together. Last night the report provoked anger from the Scottish government, who said it stoked unnecessary alarm.

June 29, 2013

From the Federal Register: U.S. Postal Service: Product Changes: Priority Mail Negotiated Service Agreement, 39344-39345 [2013-15649] [TEXT] [PDF]

Coventry Telegraph: Postal workers across Coventry and Warwickshire could walk out on strike after claims that bosses are pushing staff to 'breaking point'. Around 1,500 workers at ten offices will be balloted for industrial action after a dispute erupted with Royal Mail over pay and working hours. If workers vote for a strike, it could cripple mail deliveries to homes and businesses across the region.

June 28, 2013

GeoCommunity: GfK's new, completely overhauled digital maps for Russia comprise the basis for geomarketing applications in sales, marketing and expansion. The maps reflect the latest postal and administrative status, thus giving users a reliable foundation for accurately geocoding company and market data. GfK has updated 19 digital maps of Russia to reflect the hundreds of new postal and administrative regions as well as the changes that have occurred since the last update. The administrative regions and two-digit postcodes offer comprehensive coverage of the entire country. Very detailed six-digit postcodes are available for 17 of Russia's largest cities: Moscow, St. Petersburg, Volgograd, Kazan', Nizhnij Novgorod, Perm', Rostov-na-Donu, Samara, Ufa, Ekaterinburg, Novosibirsk, Omsk and Cheljabinsk; and also for Irkutsk, Krasnoyarsk, Saratov and Sochi. The six-digit postcodes are available for the entire provinces (oblasts) of Moscow and St. Petersburg.

Press Release: "New Addressing Systems Expand Access to Civic and Economic Activities, Postal Mail"

<u>DutchNews</u>: The strike at PostNL by freelance delivery workers was settled on Friday, the Nos reports. Freelance workers have been on strike since Monday over reductions in the tariff paid for each parcel delivered.

# DMM Advisory: IMb™ Services Update

- PostalOne!® Release 35.0.0 Deployment scheduled for July 14, 2013, will require an extended maintenance window to complete all software updates. There will be a PostalOne! outage from 12 midnight through 9 a.m. CT, Sunday, July 14, 2013. Also, the July 14, FAST Release 25.0.0 will require an outage from 4 a.m. CT to 8 a.m. CT to 5 p.m. CT. The Program Registration Release 8.0.0 on July 14 will require an outage from 11:00 a.m. CT to 5 p.m. CT. A mandatory Mail.dat® client download will be available immediately following the software update. Release notes for PostalOne! Release 35.0 can be found on RIBBS by clicking on Major/Minor Release Schedule/ 2013 Releases in the left-hand navigation bar or by going directly to Full Service 2013 Releases.
- The Business Customer Gateway/eAdmin Release 5.0-- will be deployed on Sunday, July 14 between 4:00 a.m. to 8:00 a.m. CT. No PostalOne! outage is anticipated. This release will include additional enhancements in the BCG application. Release Notes for the Business Customer Gateway/eAdmin will be provided prior to deployment.
- PostalOne! Release 35.0 Deployment to Test Environment for Mailers (TEM) will occur on Monday, July 15, 2013, and PostalOne! TEM will be unavailable from 7 a.m. through 3 p.m. CT.

In a letter submitted to the U.S. Postal Service, <u>PostCom Executive Vice President Jessica Lowrance</u> said that: "The Association for Postal Commerce (PostCom) is responding to your request to learn industry's perspective on the desired Full-Service IMb discount going forward. PostCom supports the use of Full-Service Intelligent Mail and its barcodes for the benefits they provide to both the USPS and industry. We, however, are concerned with any proposal that may change the current Full-Service discount for First-Class, Standard, and Periodicals...." [Read more.]

In a piece written for Mailing Systems Technology magazine, PostCom President Gene Del Polito said: "When it met early in June, the Board of Director of the Association for Postal Commerce (PostCom) decided it was high-time someone spoke more affirmatively about what mailers wanted to see in the next postal reform bill, and it approved nine principles which, the PostCom leadership maintained, should be a part of the nation's next postal law. Of course, there are knotheads out there who prefer to vilify the PostCom Board for taking a stand in behalf of those within the mailing industry which it represents. The complaints come the loudest from those who simply haven't gotten grasp of the reality that the nation's postal system is fully supported and paid for by those who use mail for business purposes, and that the nation's postal system remains a vital part of the infrastructure by which we conduct commerce.

Louisville Business Journal: Even though unionized United Parcel Service Inc. (NYSE: UPS) workers approved a national master contract in a vote last week, Teamsters Local 89 president Fred Zuckerman said he believes a strike could still be on the horizon for Louisville-area UPS workers. That's because two contract supplements, which apply only to workers locally, were roundly rejected by Local 89 members. The vote counts can be found on the Teamsters Local 89 Web site.

Post & Parcel: Poste Italiane has signed an agreement with Microsoft to support a range of digital communication services for professionals, SMEs and the public sector. The Italian national postal service said the partnership would support the digitisation of the nation and boost the competitiveness of the national economy. Poste Italiane will offer professionals, companies and both central and local government agencies integration with Microsoft's cloud computing platform, Office 365. Poste Italiane said it will manage the commercial offering through its extensive network of post offices nationwide.

<u>Daily Mail</u>: Postmen refuse to deliver to pensioner's home claiming his 'aggressive' raspberry bush is dangerous and needs trimming. [EdNote: They're kidding...right?]

Management Today: Physical letters have been largely replaced by emails, meaning the cost of running a network for parcels and magazines has gone up - but nonetheless, members of the Communications Workers Union (CWU) plan to abandon the organisation's 371 offices around the UK for 24 hours to make a point about branch closures.

Heraldnet: United Parcel Service Inc. will purchase 285 more natural-gas powered trucks in 2014, covering every new heavy-duty vehicle purchased for its small-package delivery business, its chief operating officer said. The purchases will build on a previously announced buy of 700 natural-gas trucks, said David Abney, the Atlanta-based company's chief operating officer. UPS sees liquefied and compressed natural gas as a "bridge fuel" over the next decade, he said.

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

- This week, the USPS Deputy Postmaster General (DPMG) held a webinar to address the mailing industry. DPMG addressed industry as part of a continuing effort to inform the industry on significant ongoing issues facing the postal service and the industry. Industry has expressed an interest in wanting to increase the level of communication between the industry and the Postal Service. The DPMG address three topics: 1) exigent price increase, 2) package simplification strategy, and 3) Tech credit promotion.
- The Postal Service published its unaudited May results with the Postal Regulatory Commission. USPS EARNED \$202 million in May 2013. The Postal Service's controllable operating loss for the month was \$135 million. Now you are asking yourself, how did they earn \$202 million, but had a controllable loss of \$135 million. Well, let's just say it's all in the math.
- USPS drops tech credit promotion. Issa reaches out to Democrats on postal reform. Special interest by
  Burrus. PRC approves price adjustment for Insurance. PRC approves gift card market test extension. PRC
  schedules technical conference. Does USPS need \$624 million for new cars? Why we should give a damn
  about saving the USPS. USPS VP moves to Dept of Army. USPS issues final rule on refunds/exchanges.
  PRC's order on remand.
- Updates from the Federal Register.
- Updates from the Domestic Mail Manual.
- An update from the USPS Office of Inspector General.
- Postal previews

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



The PostCom Bulletin is distributed via NetGram

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

The Belgian post's IPO has been a full success for shareholder CVC. At an issue price of 14.50 euros - barely below the expected price range's maximum of 15 euros (CEP-News 25/13) - the investment trust cashed in some 812m euros. Now, CVC still holds a 21.54% stake in bpost. Should the investment trust make use of its so-called overallotment option, its stake could fall to 17.34%.

Representatives of the governing coalition in the Netherlands want to get more insight into PostNL. The social democratic party PvdA demanded that the regulatory authority should examine

the savings resulting from the service cuts.

The series of record fines for the abuse of temporary employment contracts at La Poste continues.

The Dutch post wants to keep its stake in TNT Express at least until 2015.

The planned privatisation of the Polish post still drags on.

We are the number three in the market after DHL and Hermes with 100 million 2C-parcels'. Arnold Schroven, head of DPD Germany, confirmed to industry journal »dvz« (24.06) that DPD intends to increasingly focus on the B2C segment (among others CEP-News 42/12). According to him, DPD already made 30% of its business in the B2C sector.

ETwo examples from the US state of Vermont indicate how much the digitisation of society has changed the courier business. The company Lightning Couriers primarily handled documents for law firms and advertising agencies in the 90s. As these documents have largely been digitised, the company had to revise its strategy. Nowadays the ten drivers primarily handle food, flowers, car spare parts and medical samples. The case is similar at Vermont's biggest courier company, Green Mountain Messenger (125 employees). As its old core business - carrying documents between bank branches - disappeared almost completely, the healthcare and automotive industry are among its biggest customers now.

A competition to find Europe's best bike messengers took place in Berne last weekend. Around 180 participants from ten European countries competed in several disciplines in the 18. European Cycling Messenger Championships in the district of Lorraine. Packages had to be transported between checkpoints for example. The goal was to efficiently combine the transports to handle them as quickly as possible.

The Luxembourgian market leader in the postal and telecommunications sectors will operate under the name Post Luxembourg in the future. With this step, the company wanted to 'position itself with a single brand', the official press release read.

Now, the Lithuanian Post launched a digital mailbox service, too. With e.pristatymas public authorities and other public institutions can digitally send registered mail to the citizens.

The Portuguese government again confirmed that CTT Correios will still be obliged to provide postal universal services after its privatisation, which is scheduled for this year.

The Hungarian post slid into the red for the first time in ten years in 2012.

The e-commerce industry in Spain saw further growth in 2012 despite the deep economic and debt crisis.

Direct mail is still quite important in Germany. The recently published Dialogue Marketing Monitor 2013 shows that 11.7bn euros were spent on addressed, partially addressed or unaddressed advertisement mail.

Deutsche Post DHL apparently pursues international expansion plans for its two-man home delivery service. According to these plans, the delivery of heavy and bulky goods is already to be offered in Austria and Luxembourg from July on.

Deutsche Post and Eesti Post want to intensify their co-operation on crossborder parcels. In the course of the announced expansion of its US-business (CEP-News 12/12), Purolator (turnover 2012: 1.16bn euros) now also offers B2C services. Parcels from the USA will get to an addressee in Canada within two to eight days at most with the new PuroPost service. By now, the subsidiary of Canada Post operates 33 offices in the USA to benefit from the growing cross-border trade between the USA and Canada.

Poste Italiane and China Post plan to sign an agreement on co-operation in e-commerce next month.

Itella appointed a new CIO. Esa Viitamäki will succeed Tomi Pienimäki who switched to Finnish smart phone producer Jolla. Viitamäki joins Itella from insurance company LähiTapiola, where he also held the position of the CIO.



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

From the Federal Register: Postal Regulatory Commission NOTICES Market Test on Gift Cards, 39020–39021 [2013–15449] [TEXT] [PDF]

Post & Parcel: The US Postal Service can beat UPS and FedEx in the delivery of packages, the Postmaster General said yesterday, as he discussed the launch of a new simplified Priority Mail service. The Postal Service is kicking off a nationwide multi-channel advertising campaign in August to promote the service changes to the American public. Among the changes will be the addition of free tracking across the board on Priority Mail package services, along with free insurance up to a \$100 value.

June 27, 2013

Seeking Alpha: For U.S.-based investors, there are many sources to get access to information regarding FedEx Corporation and the United Parcel Service, Inc. (UPS). While most investors probably are familiar in some form with Deutsche Post DHL's competitive services, getting comprehensive information for the company is not so easy based on the simple fact that it trades on the German stock exchange and is not publicly listed in the U.S. Understanding DHL's comparative business segments and operations as they relate to both FedEx and UPS is a crucial piece to the analysis framework when considering investments in either U.S. company. For this reason the article will provide an overall assessment comparing all three companies and the analysis will be structured into the following areas: \* Industry Overview \* Business segments \* Revenues and competition \* Key growth drivers \* Fundamental peer review.

Save the Post Office: PostCom has been a vocal advocate for cheap mail rates, which come at the expense of Postal Service employees, consumers, and communities. PostCom recently released a white paper on postal reform. The paper offers nine principles that the Board of Directors of the lobbying group feel should be the basis of future postal reform.

Isle News: Islanders who have ever wondered what happens to letters after being popped in a post box can now find out, thanks to the latest in a series of 'behind-the-scenes' tours of Jersey Post at Rue des Pres. Jersey Post moved from the old Mont Pinel sorting office to the purpose built Postal Headquarters site at Rue des Pres in 1996. Since then, Jersey Post has welcomed a large number of school visitors and official delegates but now extends the invite to the general public on specific open days. The next open day is this Saturday, 29th June, and will see visitors escorted on a tour of Postal Headquarters with an explanation of what happens to a letter once it has been posted. The visit also covers how a post mark is applied, how Christmas glitter can bring the postal process to a halt and how a machine can sort up to 30,000 letters an hour based on the six characters in a post code.

Otago Daily Times: New Zealand Post's Rural Delivery service emerged unscathed from the latest restructuring of the postal company.

<u>3News.co.nz</u>: New Zealand Post says it is committed to maintaining a traditional postal service for at least another "15 to 20 years", despite mail volumes continuing to plummet. NZ Post is committed to keeping its delivery times under three days, as per the current standard.

Washington Post: Last Wednesday, Sen. Elizabeth Warren (D-Mass.) grilled Treasury officials over something that affects a tiny number of their clients: The right to get their Social Security checks. Like actual paper ones. Treasury has been pushing for all-electronic distribution for a decade now, with tremendous success. And it makes sense, because direct deposit is much more effective: In fiscal year 2012, the Social Security Administration found 500,000 cases of checks that had been stolen or lost, and only 7,000 interrupted electronic transfers. Or at least, it's a lot easier to handle for an agency that has enough trouble staying solvent. Against that backdrop, it looked like

Warren was defending the vulnerable and the few, in the form of an elderly woman who came to testify about losing her benefits to electronic identify theft. But that old lady has some big corporate allies: Consumers for Paper Options, a group that takes funding from trade associations like the Envelope Manufacturers Association and Printing Industries of America, to establish a "right" to printed communication.

Post & Parcel: Ahead of postal privatisation in Britain, James Cartledge reports on a lively executive round table discussion on the future of the UK post and parcels market, at yesterday's Mail & Express Delivery Show in London. TNT Post UK, probably Royal Mail's biggest competitor and a company with an eye to developing a nationwide network of delivery staff in Britain over the next five years, sees the privatisation of Royal Mail as leveling the playing field in terms of the information Royal Mail will have to provide to shareholders. TNT Post UK is part of Dutch national postal service PostNL, which has been listed on the Amsterdam stock exchange since 1994. Nick Wells, the TNT Post UK chief executive, said at yesterday's executive round table that privatisation of Royal Mail will be good for the UK postal market.

The Wichita Eagle: Commtech, based in northeast Wichita, has been awarded a contract to supply the U.S. Postal Service with 24,000 computer board assemblies. The contract is worth \$450,000 and includes an option for the postal service to double the order.

**EXAMC**: The job of postmaster general was once one of the country's most politically powerful. It is also one of the oldest; a version of the position existed before the Declaration of Independence. But today, Postmaster General Patrick Donahoe finds himself continually caught in the political crossfire. Donahoe is tangling with unions and members of Congress over how to manage the Postal Service's future — as it faces huge losses, dwindling mail volume and ballooning costs.

June 26, 2013



## At the Postal Regulatory Commission:

- C2009-1 Order No. 1763 Order on Remand (Gamefly)
   <a href="http://www.prc.gov/docs/87/87242/Order\_No\_1763.docx">http://www.prc.gov/docs/87/87242/Order\_No\_1763.docx</a>
   <a href="http://www.prc.gov/docs/87/87242/Order\_No\_1763.pdf">http://www.prc.gov/docs/87/87242/Order\_No\_1763.pdf</a>
- USPS Annual Tables Including FY 2012 CRA and ICRA

# **INDUSTRYALERT** Network Rationalization Mail Moves and Labeling List

Changes Monday, July 1, 2013 2:00 PM (EDT) Please join us on Monday, July 1st from 2:00 to 3:00 PM Eastern Daylight Time (EDT) for a webinar on Network Rationalization Mail Moves and Labeling List Changes presented by Shibani Gambhir, USPS Manager, Network Development & Support. This webinar will address the 2013 Network Consolidation Activities and how to use available information sources such as the Network Rationalization Mail Move File, Labeling Lists, and Drop Ship Product Files to help align your mail preparation and entry with the USPS mail processing network. Call-in toll-free number (US/Canada): 1-877-668-4493 Access code: 996 497 698

The latest issue of Market Flash, IPC's bi-weekly newsletter providing a comprehensive look at new developments emerging in international postal industry is now available. TOP STORY Online shoppers want choice, control and easy returns AMERICAS Purolator enhances its B2C service ■ Sale of mail centre brings profitability to Canada Post ■ DHL helps boost US exports to Canada ■ FedEx bears one-off costs in fourth quarter ■ FedEx and UPS increase their freight rates ASIA

PACIFIC Consortium plans national e-Commerce delivery in China ■ China's express sector forges ahead ■ New Zealand Post's long-term outlook downgraded ■ TNT Australia trials parcel lockers ■ Australia Post launches its Android app ■ DHL Supply Chain invests €140m in Asia ■ Mission Critical vans serve Australia's mines ■ DHL highlights the logistics challenge from the technology sector EUROPE Online sales growth booming in the UK ■ German consumers shop more via mobile devices ■ E-Commerce sales continue to rise in France ■ P&T Luxembourg to rebrand ■ Mediapost offers new CRM data management service ■ Shares in bpost went on sale via

IPO ■ Swiss Post becomes a public limited company ■ Royal Mail and Post Office join to offer click and collect ■ CollectPlus raises delivery service level and prices ■ Swiss Post enhances its e-Commerce services ■ La Poste gains strong buy-in for its next strategic plan ■ UK Mail's consumer delivery goes international ■ TNT Post extends its end-to-end deliveries ■ Deutsche Post DHL on track for EBIT of €2.7bn-plus this year ■ DPD upgrades in Austria and Russia ■ TNT to cut 850 jobs in Italy

MyNewsDesk: Did you know that using a franking machine to send small parcels up to 2 kg, through Royal Mail can be up to 53 % cheaper versus using stamps and other courier services? Some well known courier companies have recently increased their prices, making the Royal Mail parcel service an attractive option, especially for organisations with franking machines. Discounts for franked mail mean businesses that send small parcels on a daily basis, such as dentists, dental labs, opticians, electronic retailers and eBayers, can make big savings on postage costs.

Edinburgh Evening News: Labour's Ian Murray has accused the UK Government of rushing into a "fire sale" of Royal Mail with its plans to ?privatise the postal service. The Edinburgh South MP, who is also shadow minister for postal affairs, said the case for the Royal Mail staying in the public sector was compelling. He said: "The timing of this Tory-led government's privatisation has the distinct whiff of desperation as the Chancellor has borrowed £245 billion more than it planned and is eager to dig himself out of a hole. "This is the wrong time for privatisation. The UK's cherished postal service has taken steps to modernise and management, staff and trade unions should be congratulated for that. Instead, ministers have got the 'fire sale' signs out and are playing politics with the postage stamp." He said privatisation inevitably threatened the future of the universal postal service which guarantees deliveries to all parts of the country at the same price

Telecompaper: French MVNO La Poste Mobile has launched a national ad campaign leveraging people's perception of postal workers as helpful and friendly. The four ads will air until 7 July, each one focusing on a different service: the EUR 3.90 plan, the EUR 18.90 subscription, the phone loan option and the quad-play bundle. La Poste Mobile sells its services in 10,000 post offices around the country. The humorous ad campaign by BETC shows its 'army' of postmen and postwomen as the operator's unique selling point.

African Manager: Speaking to Express FM, Mongi Marzouk, Minister of Information Technology and Communication (ICT), said that his department had asked the government five months ago to allow the Tunisian Post to provide banking services (loans and other benefits). He justified the project by the fact that the Post is collecting 24% of national savings and ensures 70% of its activities through financial transactions. "To do this, he noted, the Post must use wisely its wide coverage of the country and increase its use of new information and communication technologies, in accordance with the trends experienced by the postal sector in the world."

News4Jax: She promised high returns but instead caused high anxiety for hundreds of investors who were scammed out of millions of dollars. U.S. postal inspectors say they caught Kalin Dao with undercover video. She is the mastermind behind the investment scheme that cost more than 500 victims at least \$7 million. Inspectors invested in Dao's company to learn about her business.

Bloomberg: United Parcel Service Inc. (UPS) Teamsters workers approved a five-year contract that covers about 235,000 employees, lowering the risk of a strike at the world's largest package-delivery company

<u>Post & Parcel</u>: Royal Mail has said it intends to act "more as a market leader" in the mail marketplace after gaining commercial freedom from regulators, and responding to growing levels of competition.

GovConWire: Parsons Corp. has won a potential \$252 million contract to provide program management services to the U.S. Postal Service for the agency's 32,755 facilities. The follow-on contract continues Parsons' 10 years of support to the agency that has included design, construction management, construction and project and program management support, the company said Tuesday. The multiple-award, indefinite-delivery/indefinite-quantity contract includes two base years and four option years.

Government Executive: The U.S. Postal Service is seeking permission to replace 11 percent of its vehicles, which would cost about \$624 million, according to the agency's budget submission to Congress for fiscal 2014. The request to buy 24,000 new vehicles would mark a nearly 20,000 percent increase over vehicles expenditures in 2013, when USPS plans to spend about \$3 million. A spokesman for the Postal Service -- which is losing \$25 million per day and is attempting to slash spending -- said this is just an initial request.

Scoop: Company posters on the walls of its worksites exhorts New Zealand Post employees to "raise the bar". However New Zealand Post's announcement today of job losses in its mail processing operations sees instead of the bar being raised, the boom being lowered, not only on 500 of its employees, but also on cross town next day delivery. The Postal Workers Union is concerned that the company's action may generate a further decline in mail volumes.

From the Federal Register: Postal Service RULES Refunds and Exchanges, 38203–38210 [2013–15215] [TEXT] [PDF]

#### June 25, 2013

Folio: "Print is dead." I hear it all the time. People love to say it. "No one reads magazines anymore." Here's the thing, though: Print isn't dead—at least not yet. Digital is growing at an aggressive rate, but it hasn't obliterated print. In fact, according to a recent survey by AdWeek, 98.6 percent of all magazine consumption is still rooted in print. And with the majority of magazine readers reading print, then publishers still need to be concerned with mailing a print product—even if it feels like the U.S. Postal Service can't get it together.

The Postmaster General has announced that Marie Therese Dominguez will be leaving her post as Vice President, Government Relations and Public Policy to assume a new position within the Department of the Army.

Postal Technology International: Correos, Spain's national postal service, has launched two new direct marketing products to better suit the needs of its customers and to optimise personalised mailing campaigns. The mail service now offers Publicorreo Optimo and Premium ('best' and 'premium' direct mail services). The new products provide greater flexibility in the formats, dimensions and delivery of post, opening up a huge range of possibilities for commercial shipment campaigns and advertising agencies. Both products also incorporate additional services, such as handling the return of information, which allow companies to monitor and measure the effectiveness of their direct marketing campaigns.

Vanguard: Condamine Jean-Francois, President, West Europe & Africa District, of United Parcel Service (UPS) Limited, the world's largest package delivery company and one of the leading global providers of specialized transportation and logistics services was on a working visit to Nigeria he spoke with Princewill Ekwujuru on how UPS has helped to boost Small and Medium Size Enterprises, SMEs globally. He also spoke on the company's commitment to Corporate Social Responsibility (CSR) in the communities it operates.

TAR-TASS: A Pathway of Development for the Post is the motto of an international forum-exhibition Pochtovaya Troika 2013 /Mail-Carrying Troika 2013/ that opens in St Petersburg Tuesday. The organizers say about 300 experts are expected to arrive in St Petersburg. They have been delegated by the General Postal Union, international postal service administrators, national operators, as well as the biggest companies in telecommunications, digital technologies, the financial/banking sector, and the transport/logistics business in Russia, former Soviet republics and foreign countries. Global leaders of the market of Internet commerce, the expert community members, mass media representatives, executives of equipment manufacturing companies, researcher, and designers will also attend.

The Edinburgh Reporter: Of com has just introduced increased protection for consumers against the removal of post boxes in rural areas, and that covers those in Edinburgh too. The new rules mean that everyone should have a post box within half a mile of a postal address. Does this affect you? Has a post box near you been removed recently? Or indeed has a new one been installed? If so then let us know. It intrigues us that even some post offices,

such as that in the St James Shopping Centre, does not have a post box outside it which can be used when the shopping centre is open but the post office closed. There are others of course within walking distance. Ofcom already requires Royal Mail to provide a sufficient number of post boxes in appropriate locations to meet the needs of UK postal users. Specific criteria on the location and density of post boxes set out how Royal Mail must meet its obligation.

Post & Parcel: MaltaPost has upgraded its delivery fleet with the addition of nine Fiat Doblo cans, eight Ford Transit Connect vans. The postal operator in the Mediterranean island country has also taken on three new large tail lifts and two mobile post offices. The company said the new vehicles would allow it to deliver items more efficiently in Malta and Gozo, and between the two islands.

WJXT: The local letter carriers association is warning members about the dangers on the job. In areas like South Florida, attacks on postal services workers are going up. Since 2008, seven people have been charged with injuring postal carriers just in South Florida. While the United States Postal Service does not track statistics on those crimes, some in the industry argue the increase in violence over the past few years is noticeable. [EdNote: If true, this is deplorable.]

KTLA: And here's yet another example. Police on Tuesday were searching for four men who allegedly carjacked a U.S. Postal Service mail carrier at gunpoint in Woodland Hills. The mail carrier was shaken up, but was physically fine. The thieves may have been after personal information contained in the mail, according to USPS officials. Read more: http://ktla.com/2013/06/25/mail-carrier-carjacked-at-gunpoint-in-woodland-hills/#ixzz2XEVylq8d

GhanaWeb: The birth of a postcode system in Ghana Urban GeoVizual Solutions (UGS), a new GIS and Urban Planning Consultancy based in Accra, is launching GhCode. GhCode is a postcode system, which has been developed to suit the uniqueness, form, dynamics and complexities of Ghana's cities and towns. The inventor, Anthony Tuffour (CEO of UGS), is a GIS practitioner and Urban Planner with over 10 years experience. The GhCode comprises of 6-8 alphanumeric characters which enables accurate location of properties and places in Ghana, and has been successfully piloted in Accra.

# Attention PostalOne! Users

PostalOne!® Release 35.0.0 Deployment — will require an extended maintenance window to complete all software updates. There will be a *PostalOne!* outage from 12:00AM(midnight) CT through 9:00AM CT, on Sunday, July 14, 2013. A mandatory Mail.dat<sup>®</sup> client download will be available immediately following the software update. Release notes for *PostalOne!* Release 35.0 can be found on RIBBS by clicking on Major/Minor Release Schedule/ 2013 Releases in the left-hand navigation bar or by going directly to Full Service 2013 Releases.

PostalOne! Release 35.0.0 Deployment to Test Environment for Mailers (TEM) will occur on Monday, July 15, 2013, and PostalOne!. TEM will be unavailable from 7AM through 3PM CT.

June 24, 2013



## At the Postal Regulatory Commission:

Docket No. R2013-6: "Notice Of Price Adjustment (Technology Credit Promotion" -- The Postal Service has told the Postal Regulatory Commission that "In light of Order No. 1743's findings with regard to the price cap treatment of the Technology Credit promotion, and in light of the Postal Service's present

financial position, the Postal Service has determined not to proceed with the promotion. The Mail Classification Schedule changes appended to Order No. 1743 should therefore not be adopted."

- USPS Preliminary Financial Information (Unaudited), May, 2013
  <a href="http://www.prc.gov/docs/87/87229/2013.6.24">http://www.prc.gov/docs/87/87229/2013.6.24</a> MAY-13 PRC Report--attachment.pdf
  <a href="http://www.prc.gov/docs/87/87229/Letter\_PFI\_May13\_20130624155358.pdf">http://www.prc.gov/docs/87/87229/Letter\_PFI\_May13\_20130624155358.pdf</a>
- National Trial Balance, May, 2013 (FY 2013); and Statement of Revenue and Expenses, May, 2013 (FY 2013)

http://www.prc.gov/docs/87/87230/Letter\_NTB-SRE\_May13\_20130624155435.pdf http://www.prc.gov/docs/87/87230/National Trial Balance - Redacted, May, 2013 (FY 2013).xls http://www.prc.gov/docs/87/87230/Statement of Revenue and Expenses - Redacted, May, 2013 (FY 2013).xls

SeeNews: Croatia's incumbent postal operator Hrvatska Posta has invited bids for a contract to draft the project documents and surpervise the construction of a new sorting centre, a public notice indicated on Monday.

The Guardian: Senior Post Office bosses were awarded more than £2m in bonuses last year at the same time as ending a £2.2m incentive scheme for sub-postmasters which led to the latter taking industrial action for the first time. Sub-postmasters had been receiving a 1p-a-letter payment for separating first and second class post since November. The Post Office decided to scrap the scheme after just five months, but the sub-postmasters were still expected to separate the post. Their union, the National Federation of Sub-Postmasters (NFSP), said the move led to staff refusing to separate the mail until the payment was reinstated.

## Attention Business Customer Gateway Users The Business Customer

Gateway/eAdmin Release 5.0 will be deployed to Production on Sunday, July 14 during maintenance outage window from 4:00 a.m. to 8:00 a.m. CT. The release will be completed in rolling fashion with no planned outages. This release will include additional enhancements in the BCG application. Release Notes for the Business Customer Gateway/eAdmin will be provided prior to deployment.

Pushing the Envelope: "Partnerships for the Ages" Public-private partnerships (PPPs) are an increasingly popular way for governments to achieve policy goals and develop infrastructure, while shifting short-term financial burdens away from taxpayers and strained government coffers. This white paper reviews lessons learned from PPPs in the international postal sector and from nonpostal U.S. government agencies. Despite PPP's potential benefits, government agencies should perform careful analysis before entering into one, as they usually involve higher long-term project finance costs in exchange for increased flexibility and risk-sharing. Over the years, government agencies have developed a set of best practices to ensure that a PPP is a good deal for the public. One common lesson is that there are significant benefits to creating a central office to facilitate PPPs, coordinate with private entities, and to collect and share best practices throughout an agency.

ClickOnDetroit: A recent international mass mail fraud investigation revealed hundreds of letters and victims across the United States. The investigation started when a Windsor woman received a sweepstake style letter from a company called the Information Reporting Group. The letter claimed the woman won \$2.2 million, but in order to receive her prize she needed to send money for processing. The Windsor Police Financial Crimes Unit investigated the letters and found that more than 700 letters had been sent out as part of a mass marketing mail fraud scheme.

The Telegraph: Royal Mail courts online shoppers with parcel collection from Post Offices Online shoppers will be able to pick up purchases from their local Post Office as part of an attempt by the Royal Mail to attract web retailers with more flexible delivery options.

June 23, 2013

The Guardian: Royal Mail is steeling itself for a storm of protest from the Communication Workers Union following reports that the business is to reveal its chief executive was paid almost £1.6m last year. Moya Greene, the

Canadian-born boss of Royal Mail, earned £1.1m in 2011, but her 2012 pay package is expected to be nearly £500,000 higher thanks to an additional long-term incentive plan.

The Moscow Times: The new management of the Russian Post is still considering creating a postal bank, first deputy CEO of Vneshekonombank Anatoly Tikhonov said Friday. "The issue of creating the Postal Bank has not been removed from the agenda yet. The new management is considering the options. ... The idea remains," Tikhonov said. Under plans first aired four years ago, the Postal Bank will be created using Vneshekonombankowned Svyaz-Bank as a base. Russky Standart Bank and Nomos-Bank remain possible as financial partners, Interfax reported.

Burrus Journal: Most postal employees are unfamiliar with the organization representing large mailers bearing the name of PostCom so when they announce a political position regarding the Postal Service it is often met with a careless yawn expressing boredom. This is a grievous error as most issues affecting mail services and employment are influenced by their political position. They are an effective political force and exert influence on issues of importance to all postal employees.

<u>Mirror</u>: Scandal hit banks are set to share an estimated £30m in fees from the sale of Royal Mail, say Labour. UBS and Barclays will advise the Government on the £3bn sell off - expected to take place by the end of the year. They were fined nearly £1.3bn for attempting to fix global borrowing rates in the Libor rigging scandal last year.

#### June 22, 2013

The Journal: A final decision on the details of a national postcode system is to be made within three months, the minister in charge of the project had insisted. Ireland is in the minority as a country without postcodes, and is the only country in the European Union which does not operate some sort of national postcode system. Plans for a national postcode system have been in the works since 2005. Ukraine was the first country in the world to introduce a national system of postal codes, in 1932, though the plan was abandoned in 1939. Germany introduced its national system in 1941, and notwithstanding adjustments in 1962 and 1993, the system remains the world's oldest postcode system.

From the Federal Register: Postal Regulatory Commission NOTICES New Postal Products, 37851–37852 [2013–14992] [TEXT] [PDF]

#### June 21, 2013

Burbank Leader: Rep. Adam Schiff issued a statement Friday reiterating his position that closing the Glenoaks post office in Burbank -- a decision announced earlier in the day -- is part of a "misguided" strategy that will do little to address larger financial issues affect the U.S. Postal Service.

National Association of Major Mail Users: Business users of the commercial products of Canada Post strongly reinforced the value of physical mail at the Town Hall Meeting held June 20th, at the InterContinental Toronto Centre, hosted by the National Association of Major Mail Users (NAMMU), as a step in their consultative process on the Conference Board of Canada Report: The Future of Postal Service in Canada. "Mail is a core value for business users in their multi-channel environment, and its relevancy is underscored as their digital channels are increasingly challenged with privacy and delivery issues," said Kathleen Rowe, NAMMU president. Much of the meeting discussion focused on performance improvements, volume encouragers, and positive messaging about mail. Rowe noted that the NAMMU business constituency has a healthy respect for the difficult choices Canada Post needs to make, and any input is intended both as guidance and inspiration to innovate.

The White House has advanced the nomination of James C. Miller, III, of Virginia, to be a Governor of the United States Postal Service for the term expiring December 8, 2017. Dr. Miller had previously also served as chairman of the board, was the director of the Office of Management and Budget, and had served as chairman of the Federal Trade Commission.

Edmonton Journal: Creating a network of community mailboxes in Edmonton and across the country could rescue Canada Post from its projected 2020 deficit of \$1 billion, according to a company executive. "Door-to-door delivery for us is over twice the cost of community mailboxes," said Mike Shearon, general manager of western plant operations for Canada Post. "So for us there is a huge opportunity for cost reduction, if we move to community mailboxes."

<u>CommerceBytes</u>: The U.S. Postal Service confirmed on Thursday that its website is experiencing glitches. Online sellers reported problems accessing the site, and sales of some merchants who tied their services to the USPS were severely impacted. Run For Cover tweeted Thursday, "Yo! USPS' website/servers are down, therefore our webstore is not working for the time being. We will update you when it's back up!"

The Journal: An Post is advising that mail deliveries today are likely to be affected by the disruption caused following the discovery of a suspect device at its sorting centre in Portlaoise yesterday. The Mails Centre and National Parcel Hub in the Laois town was evacuated for a time yesterday after a suspect device was found and an Army Bomb Disposal Unit was tasked. A package contained historical ammunition which was found to be inert and the scene was declared safe. An Post has worked through the night in an attempt to make up for lost time.

<u>Investing Expatriates</u>: A massive financial hole has appeared in the Royal Mail's pension scheme – just a year after a multi-billion pound deal was meant to have plugged the gap. Now analysts believe the news could scupper – or severely dent – government plans to float the postal firm later this year. Royal Mail bosses have written to staff saying there is a £300 million deficit and they could face a reduction in their pension benefits.

The Asahi Shimbun: Japan Post Holdings Co.'s new president said he plans to aggressively push the privatization of the state-owned enterprise and have it listed on the stock exchange by autumn 2015. "Although the privatization of postal services was decided eight years ago, it has made little progress," Taizo Nishimuro told reporters in Tokyo on June 20, the day he was inaugurated as president. "My duty is to move forward with (the privatization)."

Post & Parcel: Austrian Post has agreed to acquire a 25% stake in Turkish parcel carrier Aras Kargo. Austrian Post described Aras Kargo as one of the leading Turkish parcel service providers, with a market share in Turkey of about 25%.

Hampton-North Hampton Patch: Aleksei V. Shushliannikov ran part of a \$100K+ identity theft scheme in Hampton until police saw him raiding a mailbox earlier this year.

Eity A.M.:Belgium's national post service yesterday priced its forthcoming float at €14.50 (£12.40) a share, in a closely watched initial public offering ahead of the UK's Royal Mail float next year.

Post & Parcel: The US Postal Service has been warned off using the services of consultancy Accenture by its Inspector General, but postal executives responded that such action was "not necessary". Accenture Federal Services is one of the top 10 suppliers of USPS, securing around \$135m from the Postal Service in the 2012 fiscal year. But the Inspector General issued a report last week suggesting that since the company has been involved in court cases regarding its federal contracting practices from 2007 until 2011, USPS should consider suspending or debarring the company from postal work. The IG said Accenture's involvement in lawsuits regarding improper contracting practices created an "immediate risk of future fraud and abuse" in Postal Service contracts.

Macauhub: Cape Verde's postal service Correios de Cabo Verde in 2012 posted a loss of around 90 million Cape Verdean escudos (US\$1.06 million), which was the worst performance since the company was spun off from Cabo Verde Telecom.

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

- For the past several years, the Congress of the United States has been discussing the need to revise our nation's postal laws to reflect the changing economic and technological realities that shape the way we as a nation communicate and do business. This has been a matter that has been under discussion as well within the mailing industry. To an extent, Congress has had a difficult time sorting through various proposals that have been made, which have met with support or considerable dissension. At its June 2013 meeting, the Board of Directors of the Association for Postal Commerce set forth key principles that it believes should be incorporated into any proposal for postal reform under congressional consideration.
- The following is a report from Anthony Conway the Executive Director of the Alliance of Nonprofit Mailers to his members. PostCom has been given permission to reprint the entire message in the Bulletin. We do so because we think it is essential that our readers gain some appreciation for the views of some of our sister postal organizations on the key issues of the day. We thank the Alliance for this courtesy.
- This Order adopts a hybrid benchmark for 5-digit automation First-Class letters. Based on the record in this docket, there is no apparent reason for concluding that the elimination of a discount for First-Class cards or Standard Regular letter mail sorted to the 3-digit level should be approached differently. However, the Commission believes that it would be premature to approve a hybrid benchmark for 5-digit mail of either of these categories because there hasn't been sufficient focus in this docket on the need for, and the effects of, such changes. To ensure that the merits of such changes are thoroughly reviewed, this Order will solicit public comments that focus on making parallel revisions to those benchmarks.
- Deputy PMG to hold conversation with mailers. De Torok to replace Pulcrano. USPS to feature salt
  company in ads. USPS to rename Express Mail. Hill Dems move to preserve overnight delivery. USPS and
  mail security. Affordable Mail Alliance Reborn. American Postal Workers Union on Issa's bill. National
  Association of Letter Carriers comment on Issa bill. FedEx moving more via ground. OIG says USPS
  should suspend work with Accenture.
- Emerging Technologies Promotion Registration is now open for the US Postal Service's Emerging Technologies promotion. This promotion is designed to encourage innovation and the use of technologies that can add value to the mail and make it more interactive.
- An update on notices published in the Federal Register
- An update on key docket activity at the PRC.
- An update from the USPS Office of Inspector General.
- A review of postal news from around the world.
- Postal previews

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



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## At the Postal Regulatory Commission:

National Payroll Hours Summary Report, Pay Periods 08-12, FY 2013

http://www.prc.gov/docs/87/87215/Letter NatlPayroll PP8-12 FY13.pdf

http://www.prc.gov/docs/87/87215/NPHSR0813.pdf

http://www.prc.gov/docs/87/87215/NPHSR0913.pdf

http://www.prc.gov/docs/87/87215/NPHSR1013.pdf

ttp://www.prc.gov/docs/87/87215/NPHSR1113.pdf

http://www.prc.gov/docs/87/87215/NPHSR1213.pdf

June 20, 2013

Feelex Investing Daily: There are many reasons why FedEx Corp. (NYSE: FDX) is considered a bellwether of

the global economy. For one, few companies can match its global reach: its FedEx Express division operates a 647-aircraft fleet that serves over 220 countries and territories. Every day, FedEx Express ships an average of 3.9 million packages, or about 11 million pounds of freight. Moreover, FedEx is the world's largest overnight delivery company, which means it serves virtually all economic sectors. This broad diversity of clients also puts helps it benefit from growing trends like the move toward online shopping.

The Hill: House Oversight Committee Chairman Darrell Issa (R-Calif.) is reaching out across the aisle for suggestions on his new discussion draft to revamp the U.S. Postal Service (USPS). Some Democrats working on postal reform initially cast a skeptical note on Issa's discussion draft, with the ranking member at Oversight, Rep. Elijah Cummings (D-Md.), saying he had "serious reservations." But both Cummings and Sen. Tom Carper (D-Del.), the chairman of the Senate Homeland Security panel, also applauded Issa for moving the ball forward on postal reform. The California Republican's newest effort rolls back some of the more controversial proposals from his previous bill, including provisions that could have led to the agency being placed in receivership and formed a new commission to recommend post office closures. It also scraps the annual prepayments, of around \$5.5 billion, for future retiree healthcare, a requirement that unions and Democrats have particularly gotten worked up about. But the plan would also do away with Saturday letter delivery while keeping package delivery, a growing part of the USPS's business. Postmaster General Patrick Donahoe tried to implement a similar plan this year before backing off amid congressional opposition. Democrats and unions have said that cutting any service would be a mistake. Issa's new discussion draft also keeps a proposal that scraps future no-layoff agreements.

Wall Street Journal: FedEx Corp. said Wednesday that it would ground more jets and cautioned that its restructuring efforts won't really begin to pay off until next year. The world's largest air-cargo shipper by revenue and its rivals have been wrestling with a shift by clients toward cheaper and slower delivery services, such as ocean freight, driving many air shippers to rework their networks. The role of major transport companies in moving a wide variety of goods makes them economic bellwethers. And lately they haven't lacked for business overall, even as they contend with the reluctance among clients to pay premiums for speed. FedEx on Wednesday reiterated its March view that despite a "highly uncertain outlook," the global economy is on track to grow 2.3% this year, with the U.S. gross domestic product ticking up 2%.

Stuff: Wellington's already battered employment landscape is set to take another blow after NZ Post announced it will axe between 80 and 100 managerial positions by July 1. The cuts are part of a bid to flatten the state-owned postal services operator's structure, and while the downsizing will affect NZ Post's main corporate centres, the blow will land hardest in the capital. The cuts will not affect subsidiary Kiwibank.

The Street: Along with the higher temperatures Pitney Bowes has sprung into summer, increasing over 40% off the winter lows. The outlook for the printed stamp company has improved, even if revenue remains under pressure. The management team at Pitney has performed exceptionally under the pressure. Through cutting costs (including lots of pink slips) and net margin control, the company adapted quickly as the ground shifted under its feet. I wish I could say the same for the U.S. Postal Service with the endless congressional micro-managing that prevents needed market-adapting changes. Perhaps Pitney Bowes, FedEx (FDX\_), United Parcel Service (UPS\_) and the USPS best illustrate the differences between private enterprise and government bureaucratic monopolies as well as anything. Only one is controlled by Congress and has a monopoly, and only one is losing money.

XIN MSN News: Singapore's postal service operator SingPost has launched a Haze Management Plan to help its postmen in continuing to deliver mail. It has issued guidelines to all its 1,400 delivery staff and armed its staff with face masks and eye-drops. All outdoor staff are required to wear N95 masks when PSI levels are above 100. Highrisk staff, such as those above 65 and those with respiratory and heart conditions, will be re-deployed to do indoor work.

Express: Royal Mail workers are on a collision course with the Government over privatisation plans as they overwhelmingly backed plans to boycott handling competitors' mail.

Prensa Latina: Cuba considered talks with United States officials on postal issue satisfactory and fruitful. The Cuban delegation made an evaluation of the current situation of universal postal services between Cuba and the

United States and submitted proposals to solve the existing difficulties in this area. Likewise, it reiterated the aspects that are to be taken into account to resume direct postal services between the two countries. The Cuban delegation welcomed the celebration of these talks and described as fruitful the exchange held between the officials of the postal administrations of Cuba and the United States, which was aimed at identifying the ways to eliminate the difficulties that affect the normalization of postal exchange between both countries.



Audit Project: Capping – Network Distribution Center – Postal Vehicle Service Operations – 13WG009NO001 The U.S. Postal Service Office of Inspector General (OIG) plans to issue a capping report on Postal Vehicle Service (PVS) operations for Tier 1 Network Distribution Centers (NDCs) based on the results

of prior audits at four NDCs. This self-initiated audit addresses operational risk.

# Federal Business Opportunities:

- Impact of Discontinuance of Saturday Mail Delivery Solicitation Number: PRC-2013-2 Agency: Postal Regulatory Commission. This is a Request for Proposal from organizations and individuals to assist the Postal Regulatory Commission staff in developing a Report on the impact on Postal Service costs and contribution of discontinuing the street delivery of letters and flats on Saturdays, while maintaining the delivery of parcels on Saturdays.
- Website Development Solicitation Number: PRC-2013-4 The Commission is an independent federal entity in the executive branch of the United States government, and together with its predecessor, the Postal Rate Commission, has exercised regulatory oversight over the United States Postal Service since the Postal Reorganization Act of 1970. The Commission is composed of five Commissioners, each of whom is appointed by the President, by and with the advice and consent of the Senate, for a term of six years. Assisting the Commission is a staff with expertise in law, economics, finance, statistics, and cost accounting. These professionals are organized into four operating offices: (1) Accountability and Compliance; (2) General Counsel; (3) Public Affairs and Government Relations; and (4) Administration. The Commission's Strategic Plan outlines the goals of the Commission and may be located in PDF format on the US Postal Regulatory Commission homepage. For more information, please visit the Commission's website at www.prc.gov.

From the Federal Register: Postal Regulatory Commission NOTICES New Postal Products, 37246–37247 [2013–14681] [TEXT] [PDF]

Attention Postal One! Users: The Business Customer Gateway is not available to external customers at this time. A problem (Remedy # 672772) with internet name resolution is preventing customers from accessing the USPS site. The problem began at approximately 9:15 PM CT and the USPS technical teams are working this issue. An update will be provided once the problem has been resolved. If you have any additional questions please contact the Help Desk at 800-522-9085.

Federal Times: The U.S. Postal Service should consider suspending or debarring one of its largest contractors, information technology firm Accenture, from future work because of the risk of fraud, the agency's inspector general said in a newly released audit. Accenture "has demonstrated an absence of business ethics, a lack of transparency and insufficient internal controls in its business dealings with the Postal Service," according to the audit, which also cited Accenture's \$64 million settlement two years ago with the Justice Department to resolve kickback allegations stemming from its hardware and software recommendations to other agencies. Besides potentially cutting off future business to Accenture, the Postal Service should consider ending existing contracts, the IG said. The audit comes six months after the inspector general concluded in a separate review that Accenture wasn't attempting to fix its system for monitoring actual contract costs in comparison with estimated costs and hadn't fully addressed an earlier recommendation to periodically review its estimating system.

Pittsburgh Business Times: FedEx Ground has been seeing steady growth in shipments and revenue per package over the past several years. The fiscal year ended May 31 was its second straight year of a volume of more than 1 billion packages, according to data FedEx Corp. released Wednesday along with its quarterly

and annual financial data. There were 1.07 billion packages handled for fiscal year 2013, compared to 1 billion the year before. And that's up from 898.5 million in fiscal year 2010. E-commerce is a big driver of FedEx Ground's growth in shipments. Another key factor in FedEx Ground's growth is FedEx SmartPost, a service for lower weight packages to residences that start with FedEx and then is sent to the U.S. Postal Service for in-home delivery. Volume for FedEx SmartPost has gone from 309.3 million in fiscal year 2010 to 522.7 million in fiscal year 2013.

Dallas Business Journal: Frisco-based NE Opco Inc., also known National Envelope Co., has notified state and local officials that unless the company can secure financing or sell itself by Aug. 6, that it will shut down operations at all its sites, including those in Frisco and Ennis. A closure would cost 347 jobs in Texas. NE Opco's envelope business has fallen prey to the effects of email and and online bill paying for a decline in demand for paper envelopes.

Ecity A.M.: Royal Mail is seeking a high court injunction against the Communication Workers Union after postal workers voted to boycott deliveries of competitors' mail and against the privatisation of the postal service.

The Yeshiva World News: In a hearing held on 5 Tammuz 5773, the High Court of Justice criticized the poor provision of postal services in Arab areas of the capital, referring primarily to eastern areas of Yerushalayim. The court told authorities that the process of improving these services "needs to be accelerated." The justices set another court hearing in four months' time to monitor developments.

Reuters: Belgium's postal service boost will float on the Brussels stock exchange with a valuation towards the top end of the range it forecast when minority owner CVC launched the sale earlier this month.

Laily Mail: The threat of massive disruption to postal services looms over Britain after Royal Mail workers voted in favour of boycotting competitors' mail and strongly rejected the Government's controversial privatisation plans. A consultative ballot of 112,000 delivery, sorting office and other postal staff by the Communication Workers Union (CWU) showed that 96 per cent opposed the planned sell-off of Royal Mail. More than nine out of 10 said they backed a boycott of mail handled by rival companies amid union fears that jobs will be hit by 'unfair' competition.

June 19, 2013

# **INDUSTRY ALERT** USPS Emerging Technologies Promotion Registration is now

open for the US Postal Service's Emerging Technologies promotion. This promotion is designed to encourage innovation and the use of technologies that can add value to the mail and make it more interactive. The Emerging Technologies Promotion provides business mailers with an upfront two percent postage discount on Standard Mail®, Nonprofit Standard Mail®, and First-Class Mail® letters, flats, and cards (presort and automation) that incorporate augmented reality, authentication or near field communication with mailpieces. Emerging Technologies is just one of three promotions that will begin in August 2013. Registration is also open now through September 30, 2013 for the Product Samples and Picture Permit promotions. Mailers can register for all of the promotions on the Business Customer Gateway at https://gateway.usps.com/eAdmin/view/signin. For additional information and detailed program requirements, please visit our RIBBS website at https://ribbs.usps.gov/index.cfm?page=mobilebarcode. Questions can be directed to mobilebarcode@usps.gov.



## At the Postal Regulatory Commission:

• From the Chairman -- "On June 18th, the Postal Regulatory Commission published a decision changing the analytical principle defining the benchmark used for calculating worksharing discounts for certain types of First-Class Mail. This particular rulemaking docket is noteworthy because it was prompted by a Petition for Rulemaking submitted by a mailer. Petitions for rulemaking provide opportunities for interested persons to bring thoughtful, well-supported proposals before the Commission for review in a public docket. I encourage all interested persons to continue to share their constructive proposals with the Commission in this manner."

- Quarterly Statistics Report, Quarters 4, FY 2012, 1 & 2, FY 2013
  - http://www.prc.gov/docs/87/87211/fy2012-q4.pdf
  - $\underline{http://www.prc.gov/docs/87/87211/fy2013-q1.pdf}$
  - http://www.prc.gov/docs/87/87211/fy2013-q2.pdf
  - http://www.prc.gov/docs/87/87211/Letter\_QuartStatReport\_Q4FY12\_Q1-2FY13.pdf
- The next public monthly meeting of the Commission will be held on Wednesday, August 14, 2013 at 11:00 a.m. in the Commission's Hearing Room, 901 New York Ave., NW, Suite 200. The public is invited to attend.
- Postal Service price increases for market-dominant products are subject to a statutory, CPI-based price cap.
  The price cap for future increases will not be finalized until the Postal Service files a Notice of Rate
  Adjustment with the Commission. <u>Click here to view recent trend data showing 12-month average change</u>
  in CPI-U for planning purposes and explanation of how CPI-U is calculated.

## 12-Month Average Change in CPI-U

Prepared by Postal Regulatory Commission Last Update: 06/18/2013

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2005	2.8%	2.9%	3.0%	3.1%	3.1%	3.0%	3.0%	3.1%	3.3%	3.4%	3.4%	3.4%
2006	3.5%	3.5%	3.5%	3.5%	3.7%	3.8%	3.9%	3.9%	3.7%	3.4%	3.3%	3.2%
2007	3.1%	3.0%	2.9%	2.8%	2.7%	2.6%	2.4%	2.3%	2.3%	2.5%	2.7%	2. <b>9%</b> <sup>1</sup>
2008	3.0%	3.2%	3.3%	3.4%	3.5%	3.7%	4.0%	4.3%	4.4%	4.5%	4.2%	3.8% <sup>2</sup>
2009	3.5%	3.2%	2.8%	2.4%	1.9%	1.4%	0.8%	0.2%	- 0.324%	- 0.634%	-0.570%	- 0.356%
2010	- 0.143%	0.013%	0.236%	0.482%	0.757%	0.968%	1.252%	1.477%	1.685%	1.799%	1.741% <sup>3/</sup>	1.640%
2011	1.559%	1.557%	1.589%	1.668%	1.799%	2.008%	2.208%	2.426% <sup>4/</sup>	2.653%	2.849%	3.036%	3.157%
2012	3.263%	3.326%	3.322%	3.248%	3.090%	2.930%	2.743%	2.570% <sup>5/</sup>	2.415%	2.303%	2.170%	2.069%
2013	1.960%	1.887%	1.789% <sup>6/</sup>	1.686%	1.657%							

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

- The Belgian post's IPO, which is scheduled for Friday this week, apparently turns into a complete success. Daily news »Het Nieuwsblad« (15.06) reported that the shares were oversubscribed five fold.
- The post is still the most dominant service provider on Switzerland's CEP market.
- Australia Post's mail unit continues to slide deeper into the red.
- The planned privatisation of the Portuguese post (among others CEP-News 30/12), which is scheduled for this year, still stirs the rumour pot.
- Austrian Post's employees are to get a more performance based wage.
- Institutional investors apparently are not too interested in buying into Royal Mail. The reason for this are the almost routinely occurring industrial action strikes at the British post.
- Royal Mail facilitated access to the Postcode Address file. On Friday, the post announced that independent small charitable organisations would gain free access to the database. This arrangement also applies to independent micro businesses.
- While the volume of addressed mail is decreasing in Europe, the market for unaddressed advertising mail is still growing.
- Swipbox now wants to take the Danish e-commerce market by storm. The company, which started operations at the end of 2012, says it wants to provide the first completely integrated solution that offers online the secure, simple and convenient transport of products from the seller to the buyer.
- Kenya's government made a new attempt to safeguard the country's ailing postal service to the

detriment of private service providers. According to the proposal by the Postal Corporation of Kenya (PCK), privately run express and courier services will be obliged to share major parts of their infrastructure with the post.



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

PR.com: San Francisco Salt Company (SFSC), known for their extensive selection of spa salts and gourmet chef salts which they ship to customers all over the country, were selected to be a part of the United States Postal Service's new promotion for their Flat Rate shipping service. The new ad campaign profiles three growing businesses who are leading their niche market using U.S. Postal Services products. "I think the fact that we were chosen to be part of this campaign says a lot about our reputation, commitment to customer service, and quality of products. This year marks our 10 year anniversary, so being independently chosen by the U.S. Postal Service is a really proud moment for us that came at just the right time," says Lee Williamson, founder of San Francisco Salt Company, which offers salts from around the globe including Dead Sea Salt, Himalayan Salt and Epsom Salt. The new video campaign, which is currently available through the United States Postal Service YouTube channel, was filmed at two of the San Francisco Salt Company's locations last month.

Telecompaper: P&T Luxembourg, also known as Entreprise des P&T (EPT), has changed its name to Post Luxembourg. In order to differentiate between the different business sectors, the Post brand will cover Post Courrier for postal services, Post Finance for postal financial services and Post Technologies for infrastructure and technical platform management.

The Moscow Times: Pochta Rossii officials in the Novosibirsk are investigating a video showing parcels being thrown haphazardly onto the city's train station platform by an unidentified worker, a news report said Wednesday. "The direction of the train, the ownership and the car number, as well as whether or not the boxes shown in the footage are Pochta Rossii or another cargo transportation company still needs to be determined," a postal service spokesperson said. The company said the parcels do not clearly show Pochta Rossii labeling and could be another private company's cargo, but they are eager to identify the worker, Interfax reported. The footage shows the parcels being lobbed shamelessly onto the platform and has gathered 40,000 views since Monday.

New Indian Express: Even though forms for money order, registered post, savings bank ledger, authorised agent, etc., are not in frequent use in post offices now, lakhs of them are piled up in postal depots. With post office operations being computerised, many of these forms are not used any more though they continue to arrive at six depots in the State after being printed in government presses in Coimbatore and Thrissur in Kerala, postal department sources said.



Postal Regulatory Commission			
NOTICES			
New Postal Products,			
36795–36796 [2013–14502]		EXT] [PDF]	
Postal Product Amendments ,			

36796 [2013–14515]	[TEXT] [PI	DF]
Postal Service		
NOTICES		
Product Changes:		
Priority Mail Negotiated Service Agreement,		
36796–36797 [2013–14532]	[TEXT] [PI	DF]

#### June 18, 2013

The Financial Express: The Department of Financial Services (DFS) has opposed the proposal of the Department of Posts (DoP) to apply for a banking licence. According to the DFS, though the network of post offices is large with 1.55 lakh offices across the country, they neither have an interconnected system in place to give people access to their money anywhere and at anytime like the banks, nor experience in lending. "A Cabinet note is being circulated by the DoP for them to apply for a banking licence. But we are against the move," a senior DFS official told FE.

Roll Call: The U.S. Postal Service is proceeding with recommendations to close three House-side post offices and is posting solicitations for public comment on whether to go ahead with the closures.



### At the Postal Regulatory Commission:

 <u>Docket No. RM2012-6</u> "Order Revising Benchmark Used To Calculate The Costs Avoided By Automation First-Class 5-Digit Letter Mail"

On July 12, 2012, Pitney Bowes Inc. (Pitney Bowes) filed a petition to initiate an informal rulemaking to change the analytical principle that defines the benchmark which is used to calculate the Postal Service costs that are avoided when mailers convert less finely sorted automation First-Class letters to 5-digit letters.1 Specifically, it notes that, as of January 2012, the Postal Service stopped offering a discount for First-Class letters sorted to the 3-digit level. Accordingly, Pitney Bowes proposes that the current benchmark for First-Class 5-digit letters, i.e., First-Class 3-digit letters, be replaced by a hybrid of Automated Area Distribution Center (AADC) and 3-digit letters that reflects their relative volumes.... [T]his Order adopts Pitney Bowes' proposed change.

- CP2013-23 Order No. 1752 Order Approving Modification of China Post 2013 Agreement <a href="http://www.prc.gov/docs/87/87197/Order No. 1752.docx">http://www.prc.gov/docs/87/87197/Order No. 1752.docx</a> <a href="http://www.prc.gov/docs/87/87197/Order No. 1752.pdf">http://www.prc.gov/docs/87/87197/Order No. 1752.pdf</a>
- USPS Congressional Budget Submission, FY 2014

  http://www.prc.gov/docs/87/87206/4 FOUCHEAUX FY 2014 Congressional Budget Summary Tables.xls

  http://www.prc.gov/docs/87/87206/4 FOUCHEAUX FY 2014 Congressional Budget Workpapers.xls

  http://www.prc.gov/docs/87/87206/Letter\_Sec3050\_FY2014 Budget.pdf

  http://www.prc.gov/docs/87/87206/USPS\_FY\_2014\_CONGRESSIONAL\_BOOK\_FINAL\_04\_11\_13.pdf
- Market Dominant Products Billing Determinants, FY 2013, Quarter 2

  <a href="http://www.prc.gov/docs/87/87204/Letter-BillDeter-Q2FY13.pdf">http://www.prc.gov/docs/87/87204/Letter-BillDeter-Q2FY13.pdf</a>

  <a href="http://www.prc.gov/docs/87/87204/Market-Dominant-Billing-Determinants-FY13">http://www.prc.gov/docs/87/87204/Market-Dominant-Billing-Determinants-FY13</a>

  O2 Final.zip

• International Market Dominant Products Billing Determinants, FY 2013, Quarter 2 (Public Subpart) <a href="http://www.prc.gov/docs/87/87205/Q213\_MKT\_DOMINANT\_INTL\_BD.xls">http://www.prc.gov/docs/87/87205/Q213\_MKT\_DOMINANT\_INTL\_BD.xls</a> <a href="http://www.prc.gov/docs/87/87205/Letter\_BillDeter\_Q2FY13.pdf">http://www.prc.gov/docs/87/87205/Letter\_BillDeter\_Q2FY13.pdf</a>

Post and Parcel: Royal Mail is giving small businesses and charities free access to its national database of 28m UK post codes from next month. The move recognises the way that post codes are now being used in modern business applications, from online retailing to property sales, financial services and satellite navigation systems.

Post and Parcel: PostNL has reached agreement with union negotiators over a two-year extension to its Social Plan. PostNL said the extension of the Social Plan would provide more security to employees who are, or who will be, directly affected by the reorganisation of the company up to 2015. The Social Plan covers employees in both PostNL's mail division and PostNL Parcels. Along with an extension of the Social Plan until the end of 2015, the agreement also includes a collective labour agreement for the company's parcel service staff, at PostNL Parcels, and a deal for delivery staff working on Saturdays. The deal also includes pension arrangements for mail delivery staff.

Post and Parcel: Private sector postal operator InPost has launched a new shipment labeling system for mail and parcels customers in its native Poland. The new system will make it easier for high-volume customers to prepare their envelopes and packages prior to shipping. InPost, part of Integer.pl Group and one of the biggest private sector challengers to universal service provider Polish Post with the full liberalisation of the Polish postal market this year, is working with software firm FORMAT to provide the new labeling system. The company said it would streamline and accelerate the time-consuming process of addressing mail and parcels, particularly for eBay merchants and online retailers, as well as offices and employment agencies.

<u>Post and Parcel</u>: The US Postal Service is set to rename its Express Mail service from next week – as Priority Mail Express. The change is expected to take place 28th July, according to internal communications at USPS and filings made to regulators. USPS wants to rename Express Mail as Priority Mail Express International.

Items you shouldn't miss from the <u>June 2013 issue of Postal Technology International magazine</u>.

- Address the Issue: With unprecedented declines in postal volumes, the pressure has been mounting for
  many of the world's largest postal operators to re-evaluate their business models and come up with new
  ways to reduce costs and replace revenue. According to Guy Mucklow, CEO of Postcode Anywhere,
  structured address data is one of the best opportunities for postal service providers to exploit and replace
  lost business.
- Day Shift: Until recently same-day delivery had mostly been the preserve of specialist courier and express companies delivering urgent documents or time-critical medical supplies and equipment parts. But a series of developments has made it a major focus area for retailers over the past few months as delivery speed has emerged to become the latest weapon in their battle to compete with e-retailers, such as Amazon.
- Innovative Showcase: Six posts talk to Postal Technology International editor Helen Norman about their most noteworthy innovative developments

Government Executive: A group of Democratic lawmakers plans to introduce a bill to preserve overnight delivery at the U.S. Postal Service. The Protect Overnight Delivery Act -- authored by Rep. Rosa DeLauro, D-Conn. -- aims to save overnight delivery by limiting the closure of mail processing facilities, according to a letter DeLauro's office sent to colleagues to solicit co-sponsors. USPS has previously announced plans to limit overnight delivery options as part of a network consolidation plan. "The elimination of overnight delivery standards and consolidating processing facilities will have a disastrous impact on local and national unemployment," DeLauro's office wrote in the letter. "With an unacceptably high unemployment rate, it would be particularly inopportune for the USPS to close these facilities."

The Gazette: Mail service has resumed for many areas impacted by the Black Forest fire, with couriers delivering accumulated letters and packages to residents. "If your road is open, we're delivering," said Postal Service spokesman David Rupert.

<u>eCommerceBytes</u>: Just when you thought it couldn't get worse for small online sellers when it comes to shipping orders to their customers, along comes a congressman from California. Now Representative Darrell Issa would like to see the end of delivery at the door, a measure included in a new draft proposal he issued before formally introducing legislation. While ecommerce giants such as Amazon, eBay and Google are considering ways to get packages into the hands of customers faster and with more convenience, Issa is looking at ways to scale back. His innovation? Allow the USPS to sell new services - such as fishing licenses.

The Oregonian: For a festive 20 minutes, Saturday's protest at the Portland Air Cargo Center was a demonstration without an audience, robust theater on an empty stage. The sun and bullhorns -- "Union busting ... is disgusting!" -- were out. The civil disobedients were armed with nothing but a paper banner -- "Stop Privatization of the People's Postal Service. The Saturday protesters believe consolidation benefits large mailers and their bulk discounts at the expense of millions of rural customers. They argue that competitors like United Parcel Service, FedEx and Pitney-Bowes want a bigger piece of the postal service's \$65 billion in annual revenue.

<u>eCommerceBytes</u>: A new proposal in the House of Representatives to rejuvenate the U.S. Postal Service would authorize the cash-strapped agency to phase out Saturday delivery of regular mail, move away from delivery to doors toward clustered mailboxes and undertake major cost-cutting reforms. But the proposal, which revives many of the ideas included in a postal reform bill that Issa backed in the last congress, sparked pointed criticism from unions representing postal workers.

NWITimes: A change to six-day package and five-day mail delivery is one of several components of the USPS five-year plan to return to financial stability. We anticipate this change will achieve annual savings of about \$2 billion once fully implemented. It is a necessary part of closing what could be a \$20 billion budget gap.

The Telegraph: Taxpayers and post office customers would face "spiralling" costs to fund a postal service in an independent Scotland, the official watchdog that governs the UK industry has warned.

From the Federal Register: Postal Regulatory Commission RULES Revisions to Rules of Practice, 36434–36440 [2013–14221] [TEXT] [PDF]

# INDUSTRYALERT USPS Industry Discussion with DPMG Ronald Stroman Tuesday, June 25, 2013 2:00 PM (EDT) Please join Deputy

Postmaster General Ronald Stroman for the first in a series of discussions involving several strategic initiatives important to both the mailing industry and the Postal Service. We encourage your help to shape the discussion for this and future meetings by submitting your ideas to <a href="mailto:IndustryFeedback@usps.gov">IndustryFeedback@usps.gov</a>. To join the conference, copy and paste the following link to a browser: <a href="https://usps.webex.com/usps/onstage/g.php?t=a&d=997113809">https://usps.webex.com/usps/onstage/g.php?t=a&d=997113809</a> Call-in toll-free number (US/Canada): 1-877-668-4493 Access code: 997 113 809

June 17, 2013

# PostCom Takes Leadership Role in Postal Legislative Reform

The Association for Postal Commerce (PostCom), in its continuous effort to support Congress in passing comprehensive, postal reform, has released a white paper outlining nine legislative principles. These principles reflect what our membership believe need to be the cornerstone of any meaningful, postal reform. Our membership represents the diverse industry in which we serve, consisting of direct marketing firms, businesses, printers, lettershops, suppliers, logistic companies, parcel delivery firms and others who either use or support the use of mail and parcels for

#### business communication and commerce.

Seeking Alpha: FedEx Corporation (FDX) is a holding company with subsidiaries that provide a broad range of transportation, e-commerce, and business services under the FedEx brand. Investors realize there has been a fundamental shift in the dynamics of this industry. The shift in customer demand for slower deliveries is apparent from the fact that FedEx's international deferred package volumes grew 12% in the previous quarter, while international priority volumes could only manage a 2% rise. The company expects the trend to continue going forward and plans to improve its cost structure, to align lower yielding operations with lower cost networks by leveraging its FedEx trade network capabilities.

Forbes: For all the talk about the failures of the USPS, the latest revelations about government eavesdropping on our emails and telephone calls should be a big commercial for the benefits of physical mail and package delivery. The Post Office is uniquely positioned to exploit the opportunity. Of course, it would help if Congress stopped trying to put it out of business.

Pushing the Envelope: Does a Hybrid Postal Model Have Merit? -- A recent study from a Washington think tank argues the U.S. Postal Service should provide only last-mile delivery of mail and open all other aspects of the mail system to competition. The report from the non-partisan Information Technology and Innovation Foundation came to a similar conclusion as an earlier proposal from a group of four mailing industry leaders who released a concept paper that also proposed a public-private partnership with the Postal Service focusing on final delivery. Those authors envisioned that this so-called hybrid model would encourage innovation and efficiency. A panel of fellows from the National Academy of Public Administrators (NAPA), a nonprofit and nonpartisan organization providing expert advice to government leaders, reviewed the earlier paper and concluded that many of the ideas represent expansions of current public-private partnerships already employed by the Postal Service, i.e., worksharing. The panel recommended further study around a host of related areas, including financial, labor-related, operational integration and regulatory issues – all of which could pose a range of new challenges. Critics note a number of shortcomings with these hybrid model proposals....We would like to hear your thoughts. Do you think a hybrid model, like the one considered in the recent papers, has merit? Would such a model add efficiencies or would it merely shift work away from postal workers, as some have claimed? In an era of shrinking mail volume and changing communications, what business model would work best for the Postal Service? How does the Postal Service continue to support its universal service obligation under a new model?

Multichannel Merchant: When it comes to reaching the anytime consumer, email seems to be the best bet for marketers. But how many of those emails are actually making a memorable impact on your shopper? The answer is not many; according to a recent survey by predictive analytics company AgilOne, who found that last year 34% of consumers couldn't remember a single memorable marketing email they received. Even though 34% of consumers couldn't recall a standout email, the survey found that 75% of marketers believe they actually sent out between 5-15 of these emails out last year alone.

Multichannel Merchant: Integrating in-store, online and mobile shopping channels is the best thing retailers can do in order to improve the shopping experience according to half of the respondents of the recent Seamless Retail Study by Exolevel. The study found that 89% of consumers said it was important for retailers to let them shop for products in the way that is convenient for them, no matter which sales channel they choose. Other findings of the study showed that 69% and 62% of consumers said that online pop-up ads and mobile banner ads would never influence their purchase decision.

GIS User: URISA, in conjunction with NENA (the National Emergency Number Association), is calling for volunteers to assist with an update to the FGDC United States Thoroughfare, Landmark, and Postal Address Data Standard. URISA's Address Standard Working Group (ASWG), a collaboration of volunteers from more than 50 federal, state, tribal, local and private organizations, was convened in 2005 to draft an address data standard for submission to the Federal Geographic Data Committee (FGDC). That task culminated in February 2011 with the formal endorsement of the United States Thoroughfare, Landmark, and Postal Address Data Standard by the FGDC. The U.S. Census Bureau is the maintenance authority for the standard.

<u>Walla Walla Union-Bulletin</u>: Keeping the U.S. Postal Service in a political vise — squeezed between Democrats and Republicans — is ridiculous. #Congress should take action to let the USPS operate more like a private-sector business or provide the federal funding needed for it to continue to operate as it does now. #Lawmakers have authority over the Postal Service because it receives an appropriation from taxpayers to fund mail for the blind and overseas ballots. That amounts to 1 percent of its operations. This allows Congress to use the USPS like Gumby, bending it to the political direction of the moment.

NetIndian: India Post has launched the "Logistics Post Air Service" in association with national carrier Air India on identified sectors amongst 15 linking airports.

Post & Parcel: The US Postal Service is struggling to bring down its petroleum usage in line with federal targets, because of the growing number of address points to which its aging vehicles must deliver mail.

<u>1011Now</u>: Foreign lottery schemes may be fleecing American's out of as much as a billion dollars every year. The problem is so vast, Congress is hearing testimony on the matter. One challenge for law enforcement is tracking down suspects who are often overseas. However, one astute postal employee helped to catch a bad guy right here in the U.S.

Associated Press: The United States and Cuba will resume talks this week on restarting direct mail service despite a deadlock between Washington and Havana over detainees that has largely stalled most rapprochement efforts, a U.S. official said Monday. Read more: http://www.wcpo.com/dpp/news/world/ap-source-us-cuba-to-resume-talks-on-direct-mail#ixzz2WTPaQ2Qb

Budapest Business Journal: Hungary's state-owned postal company, Magyar Posta, is making its letter carriers carry tracking devices, daily Népszava said on Friday. The paper cited a letter carrier who believed the decision was intended to allow Magyar Posta's management to follow carriers' every move. Magyar Posta confirmed the use of the tracking devices but said their purpose was defensive, ensuring a quick response by police or paramedics in case a letter carrier is attacked or becomes unwell.

<u>Modern Ghana</u>: Ghana Post and Star Microinsurance services have collaboratively launched a new product for low income earners called Abusua Nkyemfa.

The Independent: As part of its commitment to provide reliable and convenient postal services MaltaPost has increased its postal vehicle fleet which now includes nine Euro V Fiat Doblo vans, eight Euro V Ford Transit Connect vans, three large tail lifts and two mobile Post Offices. This will allow MaltaPost to deliver items more efficiently in Malta and Gozo and also between the two islands.

The Times: Institutional investors will not invest in the privatised Royal Mail because of its history of industrial strife. City sources confirm that a minority of blue chip potential shareholders in an initial public offering of the Royal Mail have said "pass" when asked if they will invest in a flotation.

Washington Examiner: A postal worker who ran marathons found her race times improved after she began drawing federal disability checks for an alleged back injury. Another disabled federal employee went scuba diving, skied in Switzerland and did flips on a trapeze. She spent part of her \$193,000 in disability payments on a boat named "Free Ride" before she was caught. A Justice Department lawyer collected \$90,000 in annual disability checks after claiming the stress of his job kept him off the job. Apparently the cable TV show he began hosting while drawing disability pay wasn't so stressful.

Business Daily: Postal Corporation of Kenya (PCK) is pushing for a policy that will see all courier service operators share their fleet of vehicles and premises in what it says will bring efficiency and cut operation costs.

Federal Times: The mailing industry is regrouping for battle over the possibility of an emergency rate increase request from the U.S. Postal Service. After lying dormant for the last 2-1/2 years, the Affordable Mail Alliance, made up of nine trade groups and companies, issued a news release vesterday stating that the USPS Board of Governors "is set to decide on the matter imminently." The board, which is scheduled to meet in closed session next Tuesday, ordered postal management to study the possibility of an "exigent" rate increase earlier this spring after abandoning plans to end Saturday mail delivery.

StaebroekNews: The Guyana Post Office Corporation (GPOC) says it is working to speed up the processing of payments to pensioners. Pensioners were made to spend long periods in lines earlier this month at post offices to collect their state pensions.

**E**CBS2: Delivering mail shouldn't be a dangerous job, but in some Chicago neighborhoods, postal carriers are finding themselves caught in the crossfire. Others have been targets of brutal attacks and robberies, but a new program set to roll out next month aims to keep them safe.

NewswireToday: Geographic Products, Inc. announced that LibanPost - the postal service provider of Lebanon has licensed Global Postal Code System (also called Universal Address System) to establish a nation-wide address database and provide Global Postal Code based postal services in Lebanon. Unlike conventional addresses, the Universal Address does not need people to assign and is readily available for public use for all location purposes. If it is printed on an evelope of a letter, LibanPost will be able to sort the letter from the world level to final household mailboxes automatically and deliver it right to your home efficiently. In an emergency situation, a given Universal Address can significantly accelerate emergency address dispatching and locating. If you tell the Universal Address to your visitor, he can use a GPS navigation system to get to your home without your directions. Governments can use Universal Addresses to register properties and collect property taxes. Banks and insurance companies can use Universal Addresses to verify the home locations of their clients.

KY3: A high number of dog bites in three Springfield areas might force the post office to put in community mailboxes.

#### June 14, 2013

Signal Tribune: The United States Postal Service (USPS) plans to close its Long Beach mail-processing center at 2300 Redondo Ave. on Monday, July 1 as a way to alleviate financial problems, but the closure will not impact mail service, said a USPS spokesperson in an emailed statement last week.

Federal Times: The U.S. Postal Service is planning to ramp up spending on environmentally friendly products and services by as much as 50 percent through fiscal 2020.

With all the talk about postal reform, you might be wondering "reforming into what?" Well, that's what PostalVision2020 was all about. Check out the videos from this year's sessions.



# At the Postal Regulatory Commission:

Postal Service Active Employee Statistical Summary (HAT report), Pay Periods 11-12, FY 2013 http://www.prc.gov/docs/87/87184/HAT Report PP 12, FY 2013.pdf http://www.prc.gov/docs/87/87184/HAT Report PP 11, FY 2013.pdf http://www.prc.gov/docs/87/87184/Letter HAT PP11-12 FY13 20130614155624.pdf

**USPS** Service Alerts are designed to communicate information to consumers, small businesses and business mailers about postal facility service disruptions due to weather-related and other natural disasters or events. Service alerts are done in near real time. Residential customers and small businesses can use this website to learn if mail is being delivered, or if their Post Offices are open. Business mailers are provided more detailed information about USPS mail processing facilities, as well as the operating status of postal delivery units.

American Postal Workers Union: A draft postal bill released by Rep. Darrell Issa (R-CA) on June 13 would punish postal workers, privatize major portions of the USPS, and deprive the American people of vital services, said APWU President Cliff Guffey. "We

will examine the draft more thoroughly in the coming days and participate in discussions with lawmakers and other stakeholders," Guffey said, "but our initial review is deeply disturbing. "The draft bill would turn the USPS into a private, for-profit operation. It would do virtually nothing to strengthen the Postal Service's ability to serve the communications needs of our nation," he said.

BBC: Postal workers in the Bridgwater area of Somerset are striking in protest at plans to re-organise working practices. The three-day walk-out by 130 delivery and sorting office staff takes place on Friday, Saturday and Monday.

Post & Parcel: UK postal regulator Ofcom has formally adopted new protections for Royal Mail's network of post boxes across the country. As the nation's universal postal service provider prepares for some form of privatisation, the new rules mean 98% of all UK households must be within half a mile of a post box. For the remaining 2% of delivery points, Royal Mail must provide some alternative access arrangements such as collection on delivery.

PRWeek: The embattled US Postal Service will make a change in its top communications post at the end of this month. Corporate communications VP Sam Pulcrano will leave the USPS on June 30. Judy de Torok, manager of integration and support for the deputy postmaster general, will be named acting VP of corporate communications, according to senior communications sources at the organization. She previously served as manager of legislative policy at the agency.

Bloomberg Businessweek: Postal worker unions and their mostly Democratic allies in Congress sometimes portray Darrell Issa as a malevolent figure bent on destroying the U.S. Postal Service. They point to what they considered a highly partisan bill that the Republican representative from California introduced in 2011, which would have treated the money-losing USPS as if it were bankrupt and created a commission to shutter postal facilities. The Issa bill received some good press, including a favorable nod from the Washington Post's editorial page. Still, much to the relief of Issa's foes, the bill went nowhere. Issa is still intent on ending Saturday letter (but not package) delivery. His draft proposal would also do away with the USPS's no-layoffs policy. These are things the unions fiercely oppose. Still, he's made significant concessions. The question now is whether the unions and their political allies will do the same. It's likely the only way the postal service will ever be fixed.

National Association of Letter Carriers: On June 13, House Oversight and Government Reform Committee Chairman Darrell Issa (R-CA) released what he termed a "discussion draft" of a possible postal reform bill that he hopes to introduce in the near future. "This discussion draft has a number of major problems that need to be addressed before it is used as the basis of actual legislation," NALC President Fredric Rolando said, noting how the draft includes many of the damaging and fundamental flaws that were included in H.R. 2309, Rep. Issa's attempt at a postal reform measure in the last session of Congress. For example, Issa's draft calls for the immediate elimination of Saturday letter mail service, for taking away from 35 million Americans door-delivery of the mail and replacing it with cluster-box delivery, and for compromising the security of the mailbox by allowing access to non-federal employees.

# **USPS Service Alerts** USPS Service Alerts-- Improving the Online Customer Experience

Mail Service Updates on USPS.com now has a new look and a new name --USPS Service Alerts. USPS Service Alerts provides customers with near real-time information about postal facility service disruptions due to weather-related and other natural disasters or events. "Feedback from residential customers and business mailers following natural disasters like Hurricane Sandy prompted us to take a close look at Mail Service Updates," said USPS Consumer Advocate Krista Finazzo. "We wanted to find ways to more effectively communicate with our customers during service interruptions." The upgraded website provides commercial mailers with more detailed information on the operating status of mail processing facilities and delivery units, allowing them to better plan drop shipments and other operational activities. Other improvements include a new section for residential customers who can now learn

whether their mail is being delivered or if their Post Offices are open. Please visit the USPS.com homepage or USPS Service Alerts (http://about.usps.com/news/service-alerts/welcome.htm)

Wall Street Journal: The recent turbulence rattling global bond markets is unmasking an unpleasant notion in Europe: The euro zone's problems aren't solved. [EdNote: Neither is the Postal Service's.]

<u>Marketwired</u>: Zumbox, the leader in digital enterprise customer communications, today announced the appointment of senior executive Gordon Adams as President and Chief Revenue Officer. Mr. Adams brings 25 years of experience in both startup and fully scaled companies where he has specialized in large, complex engagements in enterprise SaaS, software and outsourcing services.

<u>Limun.HR</u>: Croatian state-run postal operator Hrvatska Posta said it turned to a consolidated net loss of 8.98 million kuna (\$1.6 million/1.2 million euro) in 2012 from a net profit of some 38 million kuna a year earlier.

Daily Mail: Postal workers will be balloted on their first national strike for seven years today after the collapse of pay negotiations. Leaders of the Communication Workers Union failed to turn up for talks with Royal Mail bosses aimed at averting the threat of industrial action yesterday. Royal Mail, which is losing an astonishing £750,000 a day, has warned that it faces meltdown if the strike goes ahead. It says any interruption in service could cost up to £100million a day and cause customers to desert it for competitors keen to strengthen their grip on the market. If some of the top ten major business customers leave, Royal Mail could not sustain the current service, a spokesman has said. That would hit the universal service which guarantees deliveries to every address in Britain for a standard price.

The Times of India: First it was the pigeon post and now the telegram. There may come a time when the internet will be ubiquitous and India Post will no longer be essential. While that may yet be a long way off, the department of post could pull the struggling public service from a loss-incurring institution into a healthy enterprise. Tapping the full potential of the vast postal network, with post offices numbering almost four times the number of rural bank branches and having a much larger customer base, requires that it reinvents itself as the hub of ongoing financial inclusion and information technology initiatives. It should scale up its operations in delivery of insurance, mutual funds, pension products and direct cash transfers. It must venture into registration of Aadhaar numbers and tie up with private companies to become the digital hub in far-flung rural areas. This will ensure that it re-emerges as a financially viable and vibrant institution that marches with the times.

<u>Mediapost</u>: Magazine publishers have joined forces with catalog mailers, direct marketers and newspaper publishers to reform the Affordable Mail Alliance. They oppose another proposed "exigent" rate hike from the U.S. Postal Service. The reconstituted AMA protested the proposed increase in a letter to the USPS Board of Governors, which is currently considering the request.

Federal Times: The U.S. Postal Service will pay almost \$17.3 million to settle allegations of discrimination against employees with disabilities. The class-action complaint covers some 41,000 past and current Postal Service workers whose work hours may have been restricted from 2000 through last year because of permanent disabilities. The complaint charged that the practice violated the 1973 Rehabilitation Act, which bars federal agencies from discriminating against disabled employees. [EdNote: That, of course, is \$17.3 million it doesn't have, and represents an amount that should never have been necessitated. Discriminating against people with permanent disabilities? People should be ashamed.]

<u>TriplePundit</u>: "Coopetition" is a term that essentially means cooperating with one's competitors for some kind of larger societal benefit. The United States Postal Service has figured out that the best way to reduce their environmental footprint – as well as save money – is to cooperate with both UPS and FedEx on various logistical matters.

<u>Washington Post</u>: Both chambers of Congress developed measures to overhaul the postal service in 2012, but only the Senate passed its version. The more-austere House bill never made its way to the floor for a vote. Some of

the sticking points last year involved competing timetables for closing unprofitable post offices and ending Saturday mail delivery.

# From the Federal Register:

Postal Regulatory Commission				
PROPOSED RULES				
Revisions to Procedural Rules,				
35812–35826 [2013–13502]	[TEXT]	[PDF]		
Unfair Competitive Advantages; Enhancement of the Formal Complaint Process,				
35826–35836 [2013–13824]	[TEXT]	[PDF]		



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

- The House Committee on Oversight and Government Reform has published a discussion draft for proposed provisions under a Postal Reform Act of 2013. The purpose was to solicit broad stakeholder input on the Postal Reform Act of 2013 prior to introduction, House Oversight and Government Reform Committee Chairman Darrell Issa is posting a discussion draft of new legislation along with several summary documents.
- The Postal Regulatory Commission has approved the Postal Service's Technology Credit Promotion, but does not accept the price cap treatment proposed by the Postal Service. The Postal Service has 10 days from June 10 to let the Commission know if it plans on moving forward with the promotion.
- Carper releases statement on new postal reform by House. DC Court of Appeals rules on PRC's workshare
  decision. Affordable Mail Alliance to again fight major USPS price increase. Peter DeFazio petitions
  Obama to fix the Post Office. Terrific results for Letter Carriers' annual food drive. USPS releases 5th
  annual sustainability report. PRC aims for speedier reviews of proposed USPS changes. USPS initiates
  mail delivery changes. PostScan Mail launches its Virtual Mail Service. First-Class Dilemma for U.S.
  taxpayers. USPS Corporate Communications VP Pulcrano to retire. MTAC seeks participants for
  Workgroup #159 (Hub Entry).
- Updates from the Federal Register.
- An update from the USPS Office of Inspector General.
- Postal previews.

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

On Thursday, shareholder CVC announced that at least a 23.5% stake in bpost will be sold. At a price of 12.50 euros to 15 euros per share, the investment trust hopes to achieve total proceeds of

588m to 840m euros. Given an according demand, up to 28% of bpost's shares could be sold, according to CVC.

The Dutch regulatory authority Autoriteit Consument & Markt (ACM) attested PostNL an improved compliance with safety regulations.

Swiss Post reacts to the growing e-commerce. The post wants to invest a 'high double figure in the millions' to react to a changed customer behaviour, Swiss Post's CEO Ruoff said. The post developed a full-service offer for small and medium sized enterprises. Internet shop, warehousing, packaging, transport and billing are to be offered by a single source ('Project YelloCube').

The South African post is apparently on the brink of collapse.

Australia Post's free of charge digital mailbox, which has been planned since 2011, was now launched as beta version.

A new neighbourhood logistics concept has been launched in the multi cultural Belleville district of Paris as a test. The company La Tournée offers customers of local retailers to deliver their ordered goods for a fixed price of 2 euros.

EeBay is currently testing so-called 'Shoppable Windows' in New York. These windows are touch screens that measure around 2.70 metres across. These touch screens are activated outside the regular opening hours, so that customers can still order goods, which are then delivered within one hour by a courier.

CitySprint, arguably Britain's largest private same-day network, achieved a considerable growth in turnover and profit in 2012.

With a private placement of almost 300,000 shares or less than 5% of its total shares Polish CEP service provider Integer.pl has raised around 35m euros.

Deutsche Post apparently coped well with its partial withdrawal from the US express business. CEO Frank Appel told journalists in Miami that 10% of its total turnover of 55.5bn euros was generated in the USA. By now, DHL has some 35,000 employees there again. At the end of 2008, the post reacted to DHL Express' continued losses in the US market and abandoned almost all domestic activities.

Spanish Correos reacts to the growing e-commerce, too. Given the current 20% rise in online retail sales, the Spanish post established a dedicated e-commerce division.

EBay USA announced to expand its Global Shipping Program (GSP), which was launched in collaboration with Pitney Bowes in November last year.

E-commerce shows rapid growth in Mexico, too.

E-commerce is growing in Australia, too, but not as dynamically as in other developed countries.



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

PRNewswire: Demonstrating continued progress after five years of annual corporate sustainability reporting, the U.S. Postal Service recently released its 2012 Annual Sustainability Report, highlighting accomplishments including reductions in greenhouse gas emissions, solid waste and facility energy use.

Financial Times: Royal Mail is preparing a move to seven-day-a-week deliveries after privatisation, driven by customer demand for convenient delivery times in the age of amazon and ebay. Extending delivery of letters and parcels to Sundays would achieve the opposite of what opponents of privatisation fear – that the sell-off could put at risk the six-day-a-week "universal service" that delivers mail at a uniform price to any UK address.

Deutsche Post DHL Automotive World: DHL today celebrated the inauguration of its newly expanded hub for the Americas at the Cincinnati/Northern Kentucky (CVG) Airport. The event marks the culmination of a \$105 million, four-year effort to enhance this facility to meet the growing international shipping demand of large multinational corporations as well as small business customers. "The completion of the CVG hub is a further milestone in the continuous expansion of our international express network. We are growing, building for the future and providing U.S. companies with the logistics support they need to succeed globally, "said Frank Appel, CEO Deutsche Post DHL, at the inauguration ceremony.

#### June 13, 2013

Washington Post: The chief House architect of a postal service overhaul bill that failed to gain traction in the last Congress is back with new draft legislation that would allow the financially ailing agency to move to five-day delivery and ban it from entering no-layoff agreements with employees. However, the proposal is likely to meet opposition from Democrats in the House and Senate, who see the provision allowing layoffs as unfriendly to labor. *Issa's Postal Reform Act of 2013 will not be formally introduced for months*, congressional aides say. But by circulating a long-awaited draft of his proposed legislation, they say, Issa hopes to work with labor, rural lawmakers and groups that opposed his effort in the last Congress.

Sen. Thomas Carper: Today, Homeland Security and Governmental Affairs Committee Chairman Tom Carper (D-Del.) released the following statement in response to a new postal reform proposal, produced by House Oversight and Government Reform Committee Chairman Darrell Issa (R-Calif.):

"The Postal Service, and many of us in Congress, have made it clear again and again that the path this American institution is currently on is not sustainable. The challenges our economy has faced in recent years – coupled with the continued migration to electronic forms of communication – is putting the future of the Postal Service in jeopardy, and it's happening faster than anyone ever expected even just a few years ago. The hard truth is our nation is likely closer than we have ever been to losing the Postal Service and the industry and millions of jobs that it supports. That's why it is imperative that Congress and the President come together around a set of meaningful reforms soon. I appreciate Chairman Issa's efforts to move forward with a proposal to address this imminent threat to the Postal Service. As chairman of the Homeland Security and Governmental Affairs Committee, I continue to work with my colleagues on both sides of the aisle, Postal Service leadership, and other stakeholders to build consensus around a package of reforms that can update the Postal Service's network and business model to reflect the reality that it faces today. While we differ in our approach in some areas, Chairman Issa and I, and the rest of our colleagues, are united in our effort to restore the Postal Service to solvency and give it the tools it needs to thrive in the years to come. It remains my goal to come up with a bipartisan, bicameral postal reform bill in the coming weeks."

The House Committee on Oversight and Government Reform has published a discussion draft for proposed provisions under a Postal Reform Act of 2013. The purpose was to solicit broad stakeholder input on the Postal Reform Act of 2013 prior to introduction, House Oversight and Government Reform Committee Chairman Darrell Issa is posting a discussion draft of new legislation along with several summary documents. Feedback can be sent directly to OGRpostalreform@mail.house.gov. A quick overview of the bill can be found on this site.

Audit Projects: Surface Visibility Database Management – 13RG025DP000 -- Surface Visibility provides critical tracking for the Postal Service's mail volumes, transportation utilization, and overall mail movement efficiency. This information allows Postal Service leadership to make operational/logistical decisions concerning facility and transportation usage. The Postal Service currently has a services contract with a company to maintain the database for surface visibility data. Although the Postal Service generates the surface visibility data, they have historically relied on the service contractor's analytic and reporting capabilities to produce reports on surface visibility performance. The Office of Inspector General will review the management of surface visibility data and the supporting services contract. Our objective is to assess the Postal Service's management of the surface visibility database.

Financial Times: Movement and communications are at the heart of modern industrial society and the businesses that thrive on it. People expect to receive relevant information and entertainment wherever they are – at home or travelling across continents – and companies have to keep track of their goods as they progress around factories and along supply chains. Light (optoelectronics) and radio transmissions have together transformed telecommunications. Alongside mobile communications, electronic processing of images and other visible information has been a transformational technology for a wide sweep of businesses. Image analysis has also made possible a new wave of security and identification applications, such as facial recognition. And automatic reading of printed tracking labels - bar codes and their later manifestations, such as QR (quick response) codes - has transformed retailing and logistics.

Financial Times: Customer satisfaction with retail banking is below that seen in other industries. Real competition of the kind that can transform customer service is lacking in an industry that instead is characterised by cosy rivalry, a cosiness underlined by news that the leading banks are discussing an industry-wide task force to respond to the commission's proposals. This situation needs addressing and the government appears to be about to miss a unique opportunity to do so. The state's formidable array of banking interests – in addition to its stakes in RBS and Lloyds Banking Group this includes National Savings & Investment (NS&I) and the Post Office - gives government the means to be the guiding hand in reshaping competition.

TV: Postal workers in Somerset are to agree dates to take strike action later. They'll be discussed at a mass meeting being held at the Bridgwater Royal Mail depot this morning. It's after a dispute over bullying and staffing levels. 80 per cent of workers at the depot have voted to take action in a ballot.

Post & Parcel: Scandinavian postal operator PostNord has completed the acquisition of two logistics subsidiaries of Bilfrakt Bothnia AB. Nordisk Kyl Logistic AB (NKL) and Transbothnia AB are involved in mixed cargo, goods consignment and coldchain logistics in northern Sweden.

Pakistan Observer: Pakistan Postal Services Department is acting upon the broad-based plan for the delivery of its most swift services, to the people across AJK, Gilgit-Baltistan, besides rest of the country, including those dwelling in the remote areas, harmonious to the need of the modern age. This was disclosed by Dr. Naseer Ahmed Khan, Postmaster General, Federal Capital, Azad Jammu & Kashmir and Giglit-Baltistan Circle, while inaugurating the electronic Money Order Service in General Post Office Mirpur on Wednesday. The PMG continued that the fastpaced electronic money order service has been provided in 83 General Post Offices of all major cities and towns across Pakistan and AJK to ensure the swift delivery of the money order to the concerned recipient. The EMO service, he pointed out would benefit the people in general and students and business community people in particular.

# From the Federal Register:

Postal Regulatory Commission				
NOTICES				
NOTICES				
Negotiated Service Agreements,				
35649–35650 [2013–14020]	[TEXT] [PDF]			
New Postal Products,				
35650 [2013–14062]	[TEXT] [PDF]			

ready site ■ Postal Service helps promote e-waste recycling ■ UPS fits winglets to reduce fuel usage and noise ■ FedEx spells out its citizenship actions ASIA PACIFIC Australia Post steps up support for cartridge recycling ■ FedEx adds electric vehicles to Hong Kong fleet EUROPE DPD and GLS offer CO2 calculation according to EU standard ■ Swiss Post plans 20 solar roof installations ■ Exapaq plans to go all electric for urban delivery ■ Deutsche Post DHL makes Bonn a model city for carbon-free delivery vehicles ■ EU funding provides an eight-city electric delivery project ■ Deutsche Post DHL stove project begins to generate offset certificates ■ CTT Correios deploys 150 electric bicycles across Portugal ■ P&T doubles its electric vehicle fleet ■ TNT trials urban delivery via a mobile depot and tricycles ■ Austrian Post build up its electric vehicle fleet ■ Chronopost opens second urban depot in the heart of Paris ■ PostNord reduces CO2 emissions by 5% in 2012 ■ Itella Group reduces its emissions by 6,000 tonnes ■ Deutsche Post DHL improves carbon efficiency by two index points ■ CTT Correios celebrates biodiversity ■ Itella's new Pennala centres reaches completion ■ Twin-Deck trailers carry save fuel and cut emissions

Postalnews Blog: From USPS News Link: Corporate Communications VP Sam Pulcrano will retire from USPS June 30. "Sam has been an excellent leader of our corporate-wide communications efforts during one of the highest profile periods in our history," said PMG Pat Donahoe. "He has helped us perform at a consistently high level, strengthened our overall approach to internal and external communications, and has been a trusted counselor to me and his other postal colleagues."



News12: Officials in Mount Kisco say that they will not extend a tax bill deadline to residents even after learning that none of the 2,000 homeowners received their bills in the mail. After complaints that bills had not been received, village officials learned that the U.S. Postal Service lost every single tax bill that the village sent out last month. The village says it will not extend the deadline for paying the bill, which is July 1. They also say they are not waiting for the post office to find the lost bills. New tax bills should be delivered to most homeowners by Thursday.

#### June 12, 2013

Slate: In the wake of revelations that the NSA has been filling databases with information about our emailing habits, I've been curious about the discrepancies between the laws that govern our physical and electronic mail. If the government isn't supposed to be looking at our physical mail without justifiable cause, why can it watch our email messages without legal approval or, at the very least, our informed consent?

<u>Wall Street Journal</u>: The U.S. government remains on track to post its smallest budget deficit in five years as higher taxes and an improving economy boost revenue. [EdNote: Don't you wish you could say that about the Postal Service?]

m-logistics: Once a home-delivery item reaches a drop-off point such as a CollectPlus outlet, how does the recipient provide proof of identity when picking it up? One logical solution is for the retailer to issue the buyer with some form of unique digital code at the point of purchase. The customer simply has to present that code at the collection point. It's a classic form of challenge and authentication. The two companies have come up with a barcode-based solution that is potentially available to any shopper with a smartphone. Following purchase, the shopper is sent an email containing a unique barcode, and simply presents this on the phone for direct scanning at the CollectPlus outlet when collecting the goods.

Deutsche Post DHL m-logistics: DHL Supply Chain, one of Britain's largest third-party logistics companies, has launched its own electronic proof-of-delivery (ePOD) system, which it says can be used by its own drivers and also those of third-party hauliers. It says the system provides a simple and effective way of capturing mobile data in real time, including POD information. The company has branded this the SmartPOD app. Definitions of an app (originally a small downloadable application for mobile phones) has become increasingly stretched in recent years, but true to promise, this one can actually be downloaded from Google Play. Currently it is limited to the Android platform.

Deutsche Post DHL Business Wire: Frank Appel, the CEO of Deutsche Post DHL, was presented last night with this year's John McCloy Award by the American Council of Germany in recognition of his

work on behalf of transatlantic business relations. During the award presentation, the head of the world's leading mail and logistics group called once again for a free-trade zone between the European Union and the United States to be quickly put in place. "The opportunity is there for the taking, and we should do everything in our power to seize it," Appel said in regard to related statements made by political leaders on both sides of the Atlantic.

**KRDO**: The Postal Service says the spread of the Black Forest fire has impacted the mail delivery for nearly 4,000 addresses. Mail delivery has been suspended for the following general areas served by the Colorado Springs, 80908 ZIP Code, impacting nearly 1,700 deliveries at: Hodgen Road Burgess Road Eastonville Road Thahosa Lane The mail will be held at Briargate Station, 8585 Criterion Dr, and can be picked up at the side door in the lobby from 9:00 a.m. - 5:30 p.m. The phone number to the station is (719) 265-4409.

Wall Street Journal: Would you invest in this business? Overall sales volume in the past 10 years has fallen 25%. Its most profitable line (call it "first class") is shrinking even faster—35% over the past decade—and the company projects an additional 20% decline over the next four years thanks to an extraordinarily disruptive technology (call it "email"). Total revenues have fallen 13% in the past five years. For the next several years they will, at best, be flat. The outfit has been in the red for six years; last year, it lost \$15.9 billion. By law, it is forbidden from raising prices faster than the inflation rate or from switching to a money-saving health-insurance plan or, in large measure, from expanding into products or services. And because it is bumping up against a ceiling on its debt, it is likely to run out of cash by the end of 2014. If you're an American taxpayer, you own it. It is, of course, the U.S. Postal Service, a \$65-billion enterprise which would rank as No. 45 on the Fortune 500 list if it were included. The USPS has two basic problems: The past and the future.



Press Release: The Affordable Mail Alliance, a coalition of Postal Service customers, has been reestablished to defeat an expected Postal Service proposal to raise postage rates by as much as five times the rate permissible by law. The Postal Service Board of Governors, who must approve the Postal Service's request, is set to decide on the matter imminently. A massive postage rate increase will hit consumers, charities, and large and small

businesses at a time when the still fragile economy cannot afford it. The result will be more jobs lost in the private sector in order to maintain an overbuilt postal system, and even less revenue to the Postal Service as mailers flee. There should be a unified call to reform the USPS, not saddle postal customers with higher prices – something that will only accelerate the decline of mail volume, and hasten the Postal Service's demise. The Postal Service claims that it will soon run out of cash without major financial relief, a claim it has been making for a number of years. In 2010 the Postal Service proposed a massive postage rate increase to avert a pending financial catastrophe that never materialized. Fortunately for mailers and for the Postal Service, that proposed price increase was rejected through the efforts of the Affordable Mail Alliance.

PRWeb: PostScan Mail is a service that allows businesses to manage their postal mail as they would email. All company mail is first sorted and scanned and the service allows business users to view their postal mail online, and then decide if they want the mail forwarded, stored or shredded. The service also allows to forward packages wherever the company would like them to go. The PostScan Mail system is suited to almost everyone, and they can benefit from a better mail management. Freelancers, small businesses, charitable organizations, large businesses and community groups are all potential clients for this service.

Canada NewsWire: People like the idea of Canada Post making money through financial services according to a new poll. Close to two out of every three respondents (63%) to a Stratcom poll supported Canada Post expanding revenue-generating services, including financial services like bill payments, insurance and banking.

Rabble.ca: John Snobelen, Minister of Education in Mike Harris' Ontario Government famously said, "we need to invent a crisis in order to bring about change in the education system." This was not just some slip of the tongue. He further elaborated: "There are two theories of change management; one is this: shortening down the survival period or ... bankrupting the organization. So as we hear daily from Canada Post that the sky is falling, mail volumes are dropping, the business model is failing and taxpayers are going to be on the hook for every penny, we can't help but wonder if there isn't something nefarious afoot at the Crown corporation. Normally corporations, even

Crown corporations, like to give the public the rose-coloured view of their business model. Yet it is precisely the opposite that we are hearing from Canada Post.

The 1st Quarter June 2013 PostCom Quarterly, a publication that is written by mailers for mailers. The focus is bringing the mailing industry the latest in postal news you can use in your pursuit of using mail as an important part of the way your company communicates and does business. PostCom sends this publication to the Board Member Company contacts and free to Postal Customer Councils around the nation. Feel free to distribute it to your colleagues. And if you have some thoughts as to the kinds of items you'd like to see featured in future issues, just let us know by contacting jlowrance@postcom.org. You can use the same email address too if you or anyone of your colleagues would like to contribute pieces to future issues as well. We hope you find it helpful and enjoyable. It's just another way in which PostCom is seeking to expand its service to the mailing industry.

Attention Postal One! Users: There will be a Business Customer Gateway Patch Release 4.4.1 deployment to Production on Sunday, June 23 from 4:00 a.m. to 8:00 a.m. CT. The release will be completed in rolling fashion with no planned outages. The patch release will include additional enhancements to the BCG application. The Release Notes for the patch will be provided prior to deployment.

Supply Chain Brand: Purolator International has introduced a new business-to-consumer (B2C) shipping service between the U.S. and Canada. Dubbed PuroPost, it offers guaranteed service to residential locations in Canada within two to eight days. The service covers all Canadian postal codes, with direct access to more than 98 percent of the country's population. According to Purolator, PuroPost was developed in response to customer requests for a cost-efficient means of transporting shipments to Canadian buyers. Notifications are sent when a package is shipped, and again when delivery has been made. Customers can track their packages online throughout the process. Purolator International is a subsidiary of Purolator Inc., Canada's largest integrated parcel and freight-delivery services provider. It specializes in the air and surface forwarding of express, freight and parcel shipments; customs brokerage, and fulfillment services to, from and within Canada.

About.com: The privacy of the actual contents of a first-class letter or package handled by the U.S. Postal Service is protected by the Fourth Amendment to the Constitution, and a court-issued warrant is usually required to access it. However, the contents of discount or "media rate" mail - second-, third-, and fourth-class mail - can be accessed without a warrant, because discount rate mail should not contain personal correspondence. In addition, international parcel post mail and mail without adequate postage affixed can be opened without a warrant. Similarly, any information written on a postcard, or otherwise not enclosed in an envelope, is considered to have been knowingly exposed by the sender and can be read by law enforcement agencies without a warrant.

Post & Parcel: Singapore Post has paid tribute to its frontline staff as chief executive Wolfgang Baier brought home a prestigious World Mail Award following last week's ceremony. The company won global recognition within the mail industry in the People Management category at the awards ceremony in Madrid. SingPost said today that the commitment and efforts of its postmen and women, couriers and customer service staff allowed it to consistently achieve a quality of service of more than 98% for next-day delivery.

The Hindu: Smartphones, emails and SMS seem to have pushed the humble telegram service to a quiet corner with the BSNL deciding to discontinue the 160-year-old telegraph service from July 15. Once the main source of quick and urgent communication, the service delivered many happy and sad news to people spread all over the country. But with the advent of technology and newer means of communication, the telegram found itself edged out. As per a circular issued by Shameem Akhtar, Sr. General Manager (Telegraph Services) Bharat Sanchar Nigam Ltd (BSNL) Corporate office, New Delhi, the telegraph service is to be discontinued with effect from July 15, 2013.

Washington Guardian: The real estate giant chaired by Richard Blum, the husband of California Sen. Dianne Feinstein, is cashing in on a new federal crisis. Just a few years after the firm now known as CBRE Group collected more than \$108 million from a contract to help the FDIC sell foreclosed properties, the company owned in part by Blum is selling off old post offices under an exclusive contract with the financially struggling U.S. Postal Service, records show. Officials for the Postal Service, Feinstein's office and Blum's company say the contract signed in 2011

with CBRE involved no political influence and was awarded to CBRE after a competitive process that involved six other firms.

Post & Parcel: Deutsche Post DHL senior vice president Thomas Baldry discusses the latest major developments in the German outbound mail and parcels market. For many years, the development of letter mail markets has been driven by two mega trends: e-substitution and e-commerce.

Wall Street Journal: United Parcel Service Inc.is expanding its health-care shipping services in China, as it pursues a larger foothold in a lucrative market with limited access to foreign delivery companies. Atlanta-based UPS is seeking acquisitions to broaden its health-care supply chain in China, enabling it to transport medical devices and pharmaceuticals in China to companies such as drug maker Merck & Co., said Jim Barber, the president of UPS International. The company operates a facility in Shanghai as well as a new 237,000-square-foot storage and distribution center in the coastal city of Hangzhou, China.

Post & Parcel: CorreosChile has become the latest postal operator to join the MoneyGram global money transfer network. The Chilean national postal service has signed an agreement with US firm MoneyGram to offer its international money transfer services at more than 200 of its branches across the country. Through the CorreosChile branches, customers will be able to send money to more than 321,000 MoneyGram agent locations in 198 countries worldwide, and will be able to receive money in as little as 10 minutes.

National Multi Housing Council: As part of an effort to reduce delivery costs, some local postmasters have advised apartment owners and managers in some states that mail deliveries to new addresses, including apartment communities, will be made to outdoor "cluster box units" (CBUs) instead of traditional mailboxes inside the apartment buildings. The notices indicate the postal service also plans to deliver packages to secure parcel lockers instead of locations such as leasing offices and concierge desks for residents to retrieve them. These notices indicate that the local postmasters have authority to initiate delivery changes through the U.S. Postal Service (USPS) Postal Operations Manual; however, USPS says it is not currently planning forced conversions to centralized delivery for properties with established service. USPS says it will purchase and install CBUs without charge for apartment communities currently receiving regular delivery, if they voluntarily request centralized delivery service. NMHC/NAA have requested clarification from USPS on its delivery policies for apartment communities and the process to appeal delivery decisions.

Direct Marketing News: In light of the continuous losses in revenue, the USPS considers it necessary to offer large discounts for bulk mailers to ensure that they continue to use the USPS. As Charley Howard, VP of postal affairs of direct marketing services agency Harte-Hanks, understands this concern. "Ten to 15 years ago [direct mailers] were captive customers," he says. "Now we have alternatives." While Howard observes some Harte-Hanks clients contemplating the shift to social media and email, direct mail remains one of the best ways of reaching the target audience. Therefore, Howard doesn't expect a reduced discount for presorted mail to have a significant impact on the industry's modus operandi, especially since presorting mail has benefits beyond the reduced costs. "Mail is time sensitive, which means that the less the Post Office has to handle a mail piece, the quicker it moves through the system," he explains.

Mediaite: Yahoo's Chris Moody reports that outspoken security hawk Sen. Lindsey Graham (R-SC) would propose censoring American postal mail if he thought it a "necessary" method to protecting the United States from future terror attacks. The senator compared the hypothetical situation to World War II, in which all Americans had a "mentality" that their way of life was "at risk," and thus surveillance was necessary.

New York Post: The US Postal Service pays no attention when graffiti vandals deface its mailboxes — but when someone goes to tidy them up, they suddenly swoop in and take action, some Brooklyn residents are complaining. Residents of Brooklyn Heights were thrilled that an anonymous neighbor took it upon himself to re-paint long-vandalized mailboxes. They dubbed him "Captain Cleanup," and he has spent the past month or so repainting Heights mailboxes, fire alarms and other street items plastered with graffiti.

Post & Parcel: A group of 10 major postal operators has signed a deal to make use of US software technology to help e-commerce merchants expand into other countries. The Kahala Posts Group, which includes national postal operators from Australia, China, France, Japan, Korea, Spain, the UK and the United States, will be making use of a platform provided by New Jersey-based Amber Road. The global trade management (GTM) platform should make it easier for customers of the postal services to send items abroad. The system will provide consumers with full visibility over the costs involved in buying online across national borders, calculating total landed costs for cross-border sales, including the various administrative and customs fees. It will also identify and produce the documentation needed for global shipping and perform screening for restricted parties and trade compliance checks.

<u>Post & Parcel</u>: Judges have backed US postal regulators in ordering the US Postal Service to reduce the excessive discounts it offers for presorted mail. The US Court of Appeals for the District of Columbia Circuit today dismissed an attempt by USPS to overturn orders from the Postal Regulatory Commission to correct over-large discounts offered for presorted mail. The regulator had said the discount being offered by USPS was greater than the cost-savings that the presorting activity provided it – thereby breaking US postal law. However, in two attempts to overturn a Commission order originally issued in 2010, USPS argued that it needed to offer large discounts for bulk mailers to keep them using the mail. Arguing its case, the Postal Service attempted to suggest that its legal restrictions on mail-sorting (workshare) discounts only apply to single-piece First Class Mail, and that presorted First Class Mail is a different product. But judges said today that postal legislation limiting the scale of workshare discounts does not refer to specific products, and therefore the wording of the law supports the Commission's position.

Post & Parcel: The US Postal Service made "significant progress" in reducing the amount of delayed mail in the most recent peak mailing season, according to the USPS Inspector General. The latest semiannual report from the IG to Congress says that in the past mailers have expressed concern about USPS performance in the autumn mailing season, but this year delayed mail declined by 56% year-on-year while service performance rose to 90.7%. The amount of delayed mail was reduced compared to the previous fall mailing season at the Postal Service's 43 largest mail processing and distribution centres.

Fox 19: A store in a small town north of Bloomington is adding postal services to assist the local Post Office, which is coping with reduced hours. The U.S. Postal Service says the new village post office will open Tuesday in Paragon, 16 miles north of Bloomington. It will be located at the Step Saver on Indiana 67. The Postal Service introduced the village post office model in 2011 as an alternate retail location for postal products and services, especially in rural communities. Local businesses contract with the Postal Service to offer stamps, flat-rate packaging and other services. The Paragon village post office is the 43rd in the U.S. Postal Service's Greater Indiana District.

Federal News Radio: The Postal Regulatory Commission wants to set a 90-day deadline for reviewing major U.S. Postal Service proposals that have a nationwide impact. The cash-strapped Postal Service has proposed a number of service and delivery changes to right its financial ship and says it needs more timely decisions from the commission to implement them. The commission has now agreed to streamline its procedures and is moving toward adopting a hard deadline, according to proposed rules it issued May 31.

Attention Postal One! Users: PostalOne! will be impacted by scheduled maintenance for the enterprise scheduler on Wednesday 6/12/2013 from 11:00 am – 13:00 pm CT. During this time the following Mail.dat/Mail.xml operations could be potentially delayed up to (1) hour after the window depending on the load on the system. (a) Resubmission of a Job will not be successful after a Dashboard initiated Cancel All/Delete operation until that change is reflected in the system after the window. (b) Resubmission of a Job will not be successful after a Dashboard Cancel/Reversal until that change is reflected in the system after the window.

<u>Transport Intelligence</u>: TNT Express has announced plans to reorganise its Italian Business Unit. The plan is in line with TNT Express' overall Deliver! improvement programme. A company statement said: "The difficult economic circumstances and trading conditions in Italy require TNT Express to implement significant measures to

increase productivity and reduce costs. The goal is to secure TNT Express' long-term market-leading position in Italy." TNT Express plans to reorganise its overhead and supporting activities and to combine its smaller Italian operations into larger depots at strategic locations throughout the country. Around 20 facilities across Italy will be affected, but the company stated that service levels and full network connectivity will be maintained.

#### June 11, 2013

Post & Parcel: Judges have backed US postal regulators in ordering the US Postal Service to reduce the excessive discounts it offers for presorted mail. The US Court of Appeals for the District of Columbia Circuit today dismissed an attempt by USPS to overturn orders from the Postal Regulatory Commission to correct over-large discounts offered for presorted mail. The judges said today that postal legislation limiting the scale of workshare discounts does not refer to specific products, and therefore the wording of the law supports the Commission's position. "It is clear that, as the Commission concluded, the amount of the discount that the Postal Service may offer for presorting is subject to the statute's workshare discount limit, and the discount may not exceed the cost that the Postal Service avoids as a result of the presorting," ruled Circuit Judge Brett Kavanaugh, dismissing the Postal Service petition for a review.

The Washington Free Beacon: The United States Postal Service's (USPS) bottom line has been hit by the federal government itself as numerous agencies have increased their contracts with publicly traded companies instead of the Postal Service for their mailing and distribution services, the Washington Free Beacon has found. The federal government spends hundreds of millions of dollars each year for these services, and the lion's share of contracts has gone to United Parcel Service (UPS). An analysis of records shows the government awarded contracts solely issued for mailing and distribution worth nearly four times as much to UPS as it did to USPS in the last three-and-a-half years.

United States Court of Appeals For The District Of Columbia Circuit United States Postal Service, Petitioner V. Postal Regulatory Commission, Respondent Association For Postal Commerce, Et Al., Intervenors -- "This case concerns the rates that the Postal Service charges for presorted mail. Presorted mail generally refers to bulk mail that the mailer presorts by destination before giving it to the Postal Service. The Postal Service charges less for presorted First-Class Mail than for single-piece First-Class Mail. The discount encourages presorting, and presorting lowers costs for the Postal Service because the Postal Service does not itself have to do the sorting...."

The Daily Tribune News: Distribution changes within the United States Postal Service will result in the consolidation of operational procedures for two Bartow County post offices, but will not affect retail post office locations. USPS Communications Manager for the Atlanta District Michael Miles confirmed that "behind-the-scenes" changes will reassign how mail is distributed. Come August, letter carriers currently operating out of the White and Rydal post offices will pick up mail from Cartersville and Waleska, respectively. The changes will limit distribution runs from larger USPS facilities to rural areas.

Reuters: Portugal appointed JP Morgan as financial advisers in the planned privatisation of the national postal service, in a move that bodes well for resolving cash-strapped Lisbon's row with the U.S. bank over potentially costly hedging contracts.

Politico: They share the same goal: getting to the bottom of the Internal Revenue Service scandal. But House Oversight and Government Reform Committee Chairman Darrell Issa (R-Calif.) and Dave Camp (R-Mich.), chairman of the Ways and Means Committee, are taking very different approaches to their investigations of the embattled agency. From his perch, Issa is making waves on Sunday television and releasing loaded snippets of interviews conducted with IRS employees that Democrats say are misleading. Camp, meanwhile, is proceeding with more caution, avoiding political firestorms and working with the top Democrat on his panel to make requests that have turned up millions of documents at the IRS.

Pushing the Envelope: "Postal Service Flexes its Workforce Flexibility" -- The national agreements between the U.S. Postal Service and two of its unions give the Postal Service greater flexibility to use non-career employees for clerk and mail handler duties. The Postal Service pressed for the new employee categories in

its separate labor negotiations with the American Postal Workers Union (APWU) and the National Mail Handlers Union, because it wanted greater workforce flexibility in scheduling and aligning employees with the work available. The Postal Service expects this will allow it to reduce labor costs, which currently make up about 80 percent of total costs....

Post & Parcel: Up against stiff competition, Swiss Post has declared its intentions to develop a full range of parcel services and value-added services specifically for e-commerce. The national postal service in Switzerland said yesterday that the parcel market is growing 5% a year and consumer behaviour is changing with more demand for online services, fast deliveries and flexible delivery options. Meanwhile, the traditional letters business has been on the decline for years, Swiss Post said, as it explained its strategy to push further into the parcels and e-commerce field. The company said its intention will be to provide a complete platform for online retailers, from website hosting through to logistics, customer care, payment services and direct marketing.

FCW: Scamming the U.S. Postal Service isn't what it used to be. Whether it's stealing mail, filing fraudulent worker's compensation claims, or financial and contract fraud, would-be cheats run up against the Inspector General's virtual eye in the sky -- mountains of data to predict and detect likely cases of fraud and identify the individuals who might be responsible. Dubbed RADR – short for Risk Assessment Data Repository – the system provides investigators and auditors a continuously updated overview of potential risks, and opportunities to launch investigations.

WECT: The postal service recently proposed closing some of our local offices in Lake Waccamaw and Surf City. Those proposals have been put off for now. Congress does have to make some tough decisions about the agency, which is losing billions of dollars a year. Monday, we caught up with Congressman Mike McIntyre at an event in Whiteville. McIntyre says, he believes federal officials need to make the postal service more of a priority when it comes to the federal budget. He tells us, they will probably have to give the postal service more money. Despite many postal officials proposing to only deliver mail five days a week, McIntyre says, he's working on bill that would require them to continue delivering mail six days a week. McIntyre tells us, although postal officials have the discrepancy to make independent decisions, they still have to get approval from congress to do certain things. So he says, he will keep fighting to make service aren't interrupted.

Poughkeepsie Journal: A pushed-up date to consolidate operations at the Mid-Hudson Processing & Delivery Center could ship hundreds of well-paying jobs away from the mid-Hudson Valley, a representative for the local postal workers' union said.

At the Postal Regulatory Commission: Docket No. R2013-6: Notice of Price Adjustment (Technology Credit Promotion) -- The Postal Regulatory Commission has approved the Postal Service's proposed Tech Credit promotion. But they did not approve the proposed cap treatment. There is some question, however, about how the promotion will eventually be treated—the Commission ordered the Postal Service not to treat the promotion as creating any new rate authority for now, but seems to suggest that it may be able to do so in its next rate adjustment, depending on the final price cap rules.

- R2013-6 Order No. 1743 Order Approving Technology Credit Promotion <a href="http://www.prc.gov/docs/87/87159/Order1743.docx">http://www.prc.gov/docs/87/87159/Order1743.docx</a> <a href="http://www.prc.gov/docs/87/87159/Order1743.pdf">http://www.prc.gov/docs/87/87159/Order1743.pdf</a>
- **CP2013-64** Response of the United States Postal Service to Chairman's Information Request No. 1 <a href="http://www.prc.gov/docs/87/87158/MC2013-51">http://www.prc.gov/docs/87/87158/MC2013-51</a>, CP2013-64 ChIR1 Response.pdf
- MC2013-51 Response of the United States Postal Service to Chairman's Information Request No. 1 http://www.prc.gov/docs/87/87158/MC2013-51, CP2013-64 ChIR1 Response.pdf
- RM2013-1 Order No. 1742 Order Adopting Minor Amendments to the Rules of Practice and Procedure <a href="http://www.prc.gov/docs/87/87156/Order\_1742.docx">http://www.prc.gov/docs/87/87156/Order\_1742.docx</a> <a href="http://www.prc.gov/docs/87/87156/Order\_1742.pdf">http://www.prc.gov/docs/87/87156/Order\_1742.pdf</a>



<u>Dead Tree Edition</u>: Mailing-industry leaders fear that the U.S. Postal Service is on the verge of requesting emergency rate increases of up to 10%. After lying dormant for a couple of years, the multi-industry

Affordable Mail Alliance was reorganized on Friday to fend off expected "exigent" (higher than inflation) rate increases for the ailing Postal Service. The group started rallying mailers today to contact members of the USPS Board of Governors, which is rumored to be discussing such rate increases when it meets next week.

#### June 10, 2013

## Welcome to another PostCom Postal Podcast

Join PostCom President Gene Del Polito, Jody Berenblatt, Senior Advisor, GrayHair Advisor, and Merry Law, President, WorldVu in a discussion of international postal addressing -- challenges and solutions.

<u>NWTimes</u>: Neither snow nor rain nor heat nor gloom of night could keep U.S. Postal Service letter carriers from the swift completion of their appointed rounds, but money issues could. That was the message delivered by about 50 union leaders, political representatives and USPS letter carriers from Indiana, Illinois and Michigan during Sunday's Rally to Save the Postal Service and Save America's Jobs at the Highway of Flags Memorial.

#### June 9, 2013

Daily Express: Millions of bills and bank statements could go undelivered if the Communication Workers Union (CWU) secures a mandate later this month for a Royal Mail boycott of -private mail. A comprehensive boycott could leave 26 million letters undelivered each day and send Royal Mail into turmoil as it gears up for a £3 billion stock market debut as early as this autumn. The CWU has launched a consultative ballot among 112,000 postal workers including drivers, sorting and delivery staff but not post office or Parcelforce workers. The union is asking members to vote yes to four questions covering privatisation, a mail boycott, pay and workplace issues. The results will be announced on June 19, with the CWU hopeful of a yes vote.

Scottish National Party: The SNP, and representatives of the CWU, today said that a Yes vote is the only way to protect postal services as they warned the UK Government that using post offices in the anti-independence campaign would backfire. The UK Government is currently preparing the privatisation of the Royal Mail – against the votes of Scottish MPs and in opposition to views in the Scottish Parliament. At the same time communities across Scotland are having to fight the closure of five Crown Post Offices. The CWU and the National Federation of Sub Post Masters have warned Westminster that their proposals could lead to higher prices and put Post offices and rural services at risk.

FightBack News: Around the country, 250,000 Teamsters are voting on a proposed 5-year contract between the Teamsters and United Parcel Service. With the ballots already out in the mail, rank-and-file Teamsters are doing what they can to reject the agreement. All ballots are due by June 20. Around the country, UPS workers have been organizing a "Vote No" campaign urging fellow Teamsters to vote against the contract.

### June 8, 2013

Lite Blue: Electronic communication has resulted in less traditional mail arriving in customers' mailboxes. But that could be good news for direct mail marketers, according to an expert. It may seem counterintuitive, until a mailbox is viewed as an advertising vehicle, said Caribou Honig, founding partner of Richmond, VA, QED Investors, a marketing firm in a recent interview. "In most media [the cost per impression] plummets as impressions or ratings points, or circulation numbers drop," Honig said. "But the value of a direct mail piece actually rises as total volume goes down. As total volume of mail declines, marketers who stick with it gain 'share of mailbox' and higher response rates as a result." [EdNote: Actually....I kind of liked the old days better when there was LOTS of competition right in the mailbox.]

<u>East Oregonian</u>: The U.S. Postal Service plans to stop delivering mail to many Pendleton businesses, instead taking it to centralized boxes. USPS aims to add blocks of eight to 16 mailboxes and parcel containers on or near

Court, Dorion and Emigrant avenues. It is still unclear which postal customers this will affect since USPS is still deciding where and when to add them.

<u>Times Herald-Record</u>: Rep. Sean Patrick Maloney stood under the one small shelter available at a postal workers' rally Friday and promised to "stick with this fight" as long as necessary. For local postal workers, that fight includes saving the Mid-Hudson Processing and Distribution Center, where about 400 of them work, as well as putting the U.S. Postal Service on solid financial footing to save things like Saturday delivery.

The Portugal News: Over 85% of postmen from the Lisbon distribution area were on strike on Friday according to the trade unions.

Cak Ridge Today: Some postal customers in Oak Ridge have recently received letters from the U.S. Postal Service telling them that they need to install curbside mailboxes as part of the ongoing effort to help the federal agency stop hemorrhaging money. The letters are being sent to postal customers who still use house boxes to receive their mail. The letter states that the request is being made because "letter carriers can service more mailboxes in their vehicles than they can by walking door-to-door." The letter states that customers have 10 days from receiving it to switch to the curbside mailbox before "mail received at the box will be returned to sender" as if no mail receptacle existed.

June 7, 2013



## At the Postal Regulatory Commission:

- CP2013-65 Order No. 1740 Notice and Order Concerning Additional Inbound Competitive Multi-Service Agreement with Foreign Postal Operators 1 Negotiated Service Agreement (with Deutsche Post) http://www.prc.gov/docs/87/87147/Order No 1740.docx http://www.prc.gov/docs/87/87147/Order\_No\_1740.pdf
- R2013-8 Order No. 1741 Notice Concerning Bilateral Agreement with Singapore Post Limited http://www.prc.gov/docs/87/87149/Order No. 1741.docx http://www.prc.gov/docs/87/87149/Order No. 1741.pdf
- On-Roll and Paid Employee Statistics (ORPES), April & May, 2013 (Pay Periods 09, 12, FY 2013) http://www.prc.gov/docs/87/87151/Letter ORPES FY13 PP9 12 20130607144823.pdf http://www.prc.gov/docs/87/87151/ORPES FY13 PP9 12.pdf
- Periodic Service Active Employee Statistical Summary (HAT Report), Pay Periods 08-10, FY 2013 http://www.prc.gov/docs/87/87150/HAT%20Report%20P%2009,%20FY2013.pdf http://www.prc.gov/docs/87/87150/HAT%20Report%20PP%2008,%20FY%202013.pdf http://www.prc.gov/docs/87/87150/HAT%20report%20PP%2010,%20FY%202013.pdf http://www.prc.gov/docs/87/87150/Letter\_HAT\_FY13\_PP8-10\_20130607144908.pdf

**DMM Advisory:** IMb<sup>TM</sup> Services, Update Reminder: Business Customer Gateway/eAdmin Release **4.4 Deployment** — to Production is scheduled for Sunday, June 9, 2013, from 4 a.m. to 8 a.m. CT during the regular maintenance window. During the deployment, applications served by the Business Customer Gateway (BCG) will be unavailable. The BCG has been redesigned to simplify the registration process. Release Notes for Business Customer Gateway/eAdmin Release 4.4 will be provided on RIBBS prior to deployment.

National Association of Letter Carriers: The annual food drive of the National Association of Letter Carriers collected more than 74 million pounds of food to help restock food banks, pantries and shelters around the country—an impressive result rendered all the more necessary by the struggling economy and the multiple recent natural disasters.

Post & Parcel: UK Mail Group's online consumer parcel service ipostparcels has launched a new international delivery serve for consumers and small businesses. The company said its new service comes after a review of the marketplace suggested that international online retailing is a key area of growth.

Business2Community: Companies have been personalizing your mail for years. Think of the credit-card offers you get, where your APR is printed in perhaps a different font. That may be because it was "lasered in" after the rest of the brochure was printed, to customize the offer just for you. But customized, targeted direct mail is getting only more sophisticated.

<u>Wall Street Journal</u>: U.S. employers added 175,000 jobs in May, maintaining the slow but steady gains of recent months and easing worries about a summer slowdown in the U.S. economy.

<u>Wall Street Journal</u>: Federal government jobs are declining at an increasing pace, the latest evidence that across-the-board spending cuts are a drag on the labor market.

Bloomberg Businessweek: Like many House Democrats, Representative Peter DeFazio of Oregon is unhappy with the U.S. Postal Service's efforts to live within its means. But DeFazio isn't critical of just Postmaster General Patrick Donahoe for closing mail-processing centers and trying to move to five-day delivery to ease the fiscal crisis at the USPS, which is losing \$25 million a day. He's frustrated that President Obama isn't working on a solution. So he mounted a petition drive on the White House's We the People site, which garnered 30,000 signatures to get the president to support his bill to fix the USPS. The petition failed—you need 100,000 signatures to trigger a response from the administration. But DeFazio's efforts raised an intriguing question: Why has Obama been silent about the crisis at the Postal Service? "You called for Patrick Donahoe's resignation. How come?" "As far as I can tell, this guy really wants to destroy the Postal Service."

Post & Parcel: The Swiss government has given the final green light for Swiss Post and its financial services subsidiary PostFinance to become public limited companies. Decisions passed today by the Federal Council mean that the conversion of the national postal operator and its banking arm can take place as scheduled on 26th June. The conversion, as required by Switzerland's 2010 postal reform legislation, intends to give Swiss Post the modern structure needed to face today's mail market. It will mean Swiss Post remains entirely state-owned, while the demerged PostFinance will be separate but owned by Swiss Post.

Post & Parcel: The Dutch postal regulator has said security within the PostNL mail network has improved, but there is "still work to be done". The Consumer and Markets Authority (ACM) has assessed 107 delivery offices and depots within the Netherlands, on the back of "irregularities" uncovered in 2011. With the support of the national postal operator PostNL, the regulator looked at whether mail was being handled safely, whether sites have sufficiently tight security and whether mailbags are being properly supervised. The regulator said it still found "serious deficiencies" at five locations, where mail was being stored in unlocked areas, offering the potential for addressed mail to be accessed by third parties.

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

- The Postal Service has submitted reply comments in the Technology Credit Promotion Docket. The Commission in its procedural schedule did not have a date for reply comments, but the Postal Service asked for leave to submit such comments.
- According to the USPS OIG, "The U.S. Postal Service faces significant financial, strategic, and operational challenges. As it presses for comprehensive reform legislation, the Postal Service continues to look for ways to reinvent its business model and adapt to technology. Despite the challenges, the Postal Service remains committed to its goals of improving service, generating income, improving its workforce and the workplace, and corporate responsibility. In its just-released Semiannual Report to Congress, the Office of Inspector General (OIG) highlights work that addresses the Postal Service's goals and helps to ensure the integrity of postal processes and finances."
- According to the USPS OIG, "The Global Logistics Revolution has clear implications for the U.S. Postal Service. By offering value-added logistics services and partnering with existing logistics firms, the Postal Service could both better meet citizens' needs and help position U.S. commerce for the future, while also providing a new revenue stream. Enhanced logistics services could support the Postal Service's core

- products by providing a more comprehensive range of options and services. Most importantly, failure to at least keep pace in this area could have long-term negative impacts on the Postal Service's expedited and small package volume."
- PostCom Board meets. PostCom submits reply comments in price cap rulemaking, PRC starts rulemaking to streamline Advisory Opinions. Bengazi, the IRS, the Associated Press, and the USPS. USPS selected Sustainability In Practice online learning solutions from Tripos Software. Postal Reform for the Digital Age. How to fix the Post Office: Keep the 'last mile,' outsource the rest. UPS Freight announces 2013 rate adjustment. Without five-day delivery, will rates increase for mailers? Notes released from MTAC. PRC issues proposed regulations for competition compliant process. PRC OIG issues semi-annual report.
- Updates from the Federal Register.
- Updates from the Domestic Mail Manual.
- An update from the USPS Office of Inspector General.
- A review of postal news from around the world.
- Postal previews.

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



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The Postal Service has submitted reply comments in the Technology Credit Promotion Docket. The Commission in its procedural schedule did not have a date for reply comments, but the Postal Service asked for leave to submit such comments.

At the Postal Regulatory Commission: CP2013-65 United States Postal Service Notice of Filing Functionally Equivalent Inbound Competitive Multi-Service Agreement with a Foreign Postal Operator (Deutsche Post) <a href="http://www.prc.gov/docs/87/87143/DP\_2013\_PUBLIC.pdf">http://www.prc.gov/docs/87/87143/DP\_2013\_PUBLIC.pdf</a>

Attending the PARCEL Forum '13 conference just might be the most important and career-changing decision you've ever made! It also might be the one decision that has the greatest impact on your company's bottom line. Yes, those are some pretty bold statements to make, but after 10 years of producing PARCEL Forum they are also accurate ones. Click Here to see the entire Conference Program. Register Early & Save Up to \$300! And if that's not enough, we'll also pay \$250 toward your airfare or \$100 if you drive in. For details Click Here.

**EVP** for a presentation about the Postal Service's proposed health care plan to control and significantly reduce health care costs for the Postal Service and our employees, annuitants, and their families, while providing health care benefits comparable to or better than provided through Federal Employees Health Benefits (FEHB) plans. To join the online event go to: https://usps.webex.com/usps/onstage/g.php?d=999615772&t=a

Press Release: Sending lightweight packages to Spain, China, Brazil, and more than 180 other countries just got easier. The United States Postal Service's convenient online shipping tool - Click-N-Ship, now offers you the ability to send packages to international destinations using First-Class Package International Service<sup>TM</sup>. For details on free Package Pickup, go to <u>usps.com/pickup</u>.

<u>CNET</u>: "Is AT&T's 'admin fee' just a sneaky way of raising rates?" [EdNote: See. It isn't just the Postal Service that's looking for new ways to generate revenue.]

The Kamloops Daily News: Canada Post representatives will consult in Kamloops this morning with the "heavy users" of the system — including business and local government — as it charts a future with far less first-class mail. The meeting, by invitation only, is part of ongoing consultations across the country by the Crown corporation as it faces a federal review of its service charter in September.

Federal News Radio: The Office of Personnel Management's inspector general is willing and ready to take a deep examination dive into the agency's \$2 billion revolving fund. The problem is the IG can't afford to do the work. Patrick McFarland, OPM's IG, made his case to House lawmakers Wednesday to take a small percentage of that revolving fund to pay for increased oversight. McFarland said his office needs about \$6.6 million to do real oversight of the fund. OPM uses the revolving fund to provide HR services on a fee-for-service basis such as background investigations or to run USAJobs.gov website. The White House supports the resource transfer and included this legislative change as part of the fiscal 2014 budget request sent to Congress in April.

What They Think: Pitney Bowes Inc. today announced the winners of its 2013 Brilliant Communication Awards. The awards recognize leading high-volume print and mail organizations that are finding new ways to streamline workflow, help ensure accuracy, and market precisely to get the greatest value from their client communications. The recipients of the awards were recognized at the Company's annualGlobal Document Messaging Technologies Client Summit, June 4-6, 2013.

StreetInsider: ICF International, Inc. awarded a re-compete contract by the United States Postal Service (USPS) to provide program management and information technology management support for the Mailing Information Systems (MIS) and Domestic Products divisions. The contract has a value of up to \$34 million and a term of 10 years. Under this contract, ICF will support USPS MIS and Domestic Products across a range of activities, including initiatives designed to increase mail visibility, enhance and protect revenue, measure service performance, and integrate all USPS products effectively.

Fierce Government: Americans want the Postal Service to stick around, with most interested in continuing to receive physical mail but willing to consider more self-service options, according to a new report (.pdf) by the USPS Office of Inspector General. Young people, in particular, were willing to consider a post office with expanded and digital services, the report says. The OIG survey also found that while Americans aren't opposed to closing post offices to reduce costs, they want their own Post Office to stay open. And they're not interested in cost-saving measures that delay mail delivery, reduce delivery to three days a week or cut Post Office hours. The report found age was the biggest factor in respondents' willingness to consider nontraditional roles for the USPS.

EKAAL: Princeton, Minn. based electric vehicle maker, E-Ride Industries, is being considered to help replace postal service fleet. The company manufactures electric utility vehicles that are changing the way people work and could save the U.S. Postal Service hundreds of millions of dollars. The company says its vehicles can be operated for about \$.05 a mile versus approximately \$1 a mile for USPS gasoline powered delivery vehicles. E-Ride says if a federal law is changed and the postal service replaces half its fleet with electric utility vehicles, it could save several hundred million dollars a year in fuel. Currently, USPS says it uses approximately 726 million gallons of fuel a year.

Reuters: Private equity group CVC Capital Partners will sell at least 23.5 percent of its stake in Belgian postal operator bpost at between 12.5 and 15 euros per share.

Report Number DP-MA-13-001. U.S. Postal Service Pay for Performance Program Management Advisory. "The U.S. Postal Service's Pay for Performance (PFP) Program enables the Postal Service to set strategic goals and measure supporting performance objectives throughout the organization. These performance metrics are aligned to measure performance at corporate, functional unit, and individual employee levels. The Postal Service froze pay increases for fiscal years (FY) 2011 and 2012 due to financial difficulties and has yet to decide whether to grant pay increases in FY 2013. However, in the past, the PFP Program has been the sole source of annual pay adjustments for non-bargaining unit employees, including Postal Service executives. If pay increases are reinstituted, the program again may be used in this capacity...."

RAPSI News: Over 27,000, 90% of the 30,500 complaints about the performance of communication operators sent to consumer rights regulator Rospotrebnadzor concern postal service Pochta Rossii, Izvestia newspaper wrote on Wednesday. The fines imposed by courts following the consideration of some of these complaints have exceeded 7.5 million rubles (\$234,520), Rospotrebnadzor said. The regulator's press service told Izvestia that the courts had only heard about half of the complaints. Most of these concerned lost and delayed mail. The regulator believes that total fines imposed on Pochta Rossii may ultimately double to more than \$500,000.

Politico: Shortly after Darrell Issa dubbed Jay Carney a "paid liar" on CNN last Sunday, House Republican leadership staffers called the California Republican's aides with a message: Cool it. GOP leaders are concerned that the sometimes unpredictable chairman could jeopardize the biggest gift handed to them in months — public outrage over the IRS scandal, combined with questions over Benghazi. They think Issa should stop personalizing the scandals by insulting Obama and his aides and focus on the facts.

The Washington Times: As congressional Republicans' chief investigator, Rep. Darrell E. Issa has fast become the Obama administration's worst nightmare, using the House Oversight and Government Reform Committee to look into the "Fast and Furious" gun-running operation, foreign policy catastrophes and, most recently, the IRS' delays of conservative groups' applications for tax-exempt status. He's also become a lightning rod for Democratic criticism, particularly after he called White House press secretary Jay Carney a "paid liar" this weekend.

#### June 5, 2013

Baltic Business News: BaltCap, the leading private equity and venture capital firm in the Baltics, has signed an 1.5m EUR investment in PostService Group, the leading Latvian private postal operator and developer of automated last mile delivery solutions.

Times of Zambia: The Zambia Postal Services Corporation (ZAMPOST) which recently introduced new innovations to improve service delivery and performance, has recorded a profit of KR 1.35 million for the first time since 1994. Postmaster general McPherson Chanda said the corporation had been able to make a profit due to the ongoing innovations that have been introduced on the market in addition to improvements in the company's service delivery.

Halifax Media Coop: For the first time, Canada Post announced a financial loss for the year 2011. It was claimed that this loss was due to a major and continuing decline in letter mail volumes. Certainly, letter mail has declined, but not at the exaggerated levels presented by the Corporation. The real reasons for the loss in 2011 differ from what Canada Post has been suggesting.

Palm Beach Post: A letter distributed to Cabana Colony residents last week advising them of a change in mail delivery procedures was sent in error, a U.S. Postal Service spokesperson said today. Postal customers in the community of about 700 single-family homes were told that door-to-door mail delivery would be eliminated in favor of curbside delivery, and they would be required to provide and erect mailboxes at their own expense to be placed at the curb.

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

Royal Mail struggles with a deficit of its pension fund again.

Minister of economical affairs, Henk Kamp brought forward the long awaited draught legislation for the future definition of the universal service on Monday this week.

According to the bill, PostNL could forego mail delivery on Mondays.

The Swedish post still struggles with counterfeit stamps.

The German government approved the revision of the postal law. The bill stipulates that Deutsche Post has to submit contracts with key accounts to the Federal Network Authority for approval two months in advance. Furthermore, the right of appeal of Deutsche Post's competitors is also strengthened. Abuse proceedings are not only to be initiated by the Federal Network Agency itself, but also upon request of affected companies.

The French post announced that it plans to merge its press distribution subsidiary Neopress with its competitor Société de Distribution et de Vente du Parisien (SDVP), a subsidiary of media group Groupe Amaury.

A dispute between Switzerland's cantons flared up ahead of the post's conversion into a public company. The conflict is about taxes the Post AG, PostFinance AG and Postauto Schweiz AG will have to pay to the treasury.

Canada Post will make losses in this year, too. Last week, the company disclosed, that it expects a 'substantial financial loss' for this year.

The minimum wage regulation gets privately run mail services into trouble in the German federal state of Bremen. According to left leaning fraction Die Linke in the city parliament, employees would only receive the minimum wage while working under contracts from the public sector. However, wages were lower for contracts from the private sector.

Sweeping changes at DPD Germany. The goal is to operate the DPD depots in Germany under its own auspice.

China Post shocked privately run courier and express operators with a new service offer. With the so-called '5 Yuan Express' express shipments are transported for only five yuan (around 62 eurocent) within a city. This price is for shipments weighing up to one kilogram. Customers have to pay one yuan for each additional kilo for heavier packages.

Royal Mail still struggles to meet the quality targets.

The Brazilian post plans to significantly raise the number of franchised postal outlets.

The Czech post also struggles with its quality targets.

TNT Express is testing the delivery of shipments with cargo bikes in the course of a field trial. In the next three months, packages will be delivered by so-called 'cyclocargos' in three districts of Brussels.



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

The Spring 2013 Semiannual Report to Congress (SARC), covering the period October 1, 2012, through March 31, 2013 is available. If you have questions concerning the report, please contact Wally Olihovik at 703-248-2201 or Agapi Doulaveris at 703-248-2286.

- Spring 2013 Semiannual Report to Congress
  - Spring 2013 Semiannual Report to Congress Fact Sheet

Press Release: World Environment Day, sponsored by the United Nations, is one of the most widely observed global days for environmental awareness. Demonstrating this year's World Environment Day theme — sustainable consumption — the Postal Service continues to divert tons of consumables from landfills and reduce waste. Through recycling programs and initiatives, the Postal Service recycled more than 186,000 tons of mixed paper, 35,000 tons of cardboard, 6,000 tons of plastic and 21,000 tons of other consumables in 2012. This resulted in a 48 percent diversion rate of solid waste from landfills, up 2 percent from 2011.

Dead Tree Edition: A study that purportedly shows tablet users' "preference for digital magazines over print magazines" actually suggests that people really don't like tablet magazines. But here's the real news: Three-fourths of U.S. tablet users do not prefer digital magazines to print magazines. Read that sentence again: It

doesn't say three-fourths of U.S. Luddites or of adults or of magazine readers; it says three-fourths of tablet users.

At the Postal Regulatory Commission: Today the Postal Regulatory Commission issued a request for comments on proposed rules to enhance the complaint process for parties alleging violations of 39 U.S.C. § 404a. Section 404a(a) prohibits the Postal Service from taking certain actions that might create unfair competitive advantages for itself. Under the proposed rules, a person believing that the Postal Service is not complying with section 404a(a) could utilize an optional accelerated procedure designed to have the Commission adjudicate certain types of 404a complaints in 90 days. The proposed rules are available for review on the Commission's website, <a href="Docket No. RM2013-4">Docket No. RM2013-4</a>, and will be published shortly in the Federal Register. Initial comments are due 45 days, and reply comments are due 75 days after publication of the notice in the Federal Register.

RM2013-4 Order No. 1739 - Notice of Proposed Rulemaking Establishing Rules Pursuant to 39 U.S.C. 404a

http://www.prc.gov/docs/87/87140/Order 1739.docx http://www.prc.gov/docs/87/87140/Order 1739.pdf

PostCom Members! The latest issue of the Postal Executive Summary has been posted on this site.

Courier, Express, and Postal Observer: This week, the House Oversight and Government Reform Committee will hold its 2nd hearing on "scandals" at the Internal Revenue Service. These two hearings along with a third hearing held by the full committee on the Bengazi have provided the Committee significant visibility that the hard work required to create a postal reform bill that can pass would not. For postal stakeholders, the House Oversight and Government Reform Committee's focus on scandals that other House committees are also investigating must be particularly frustrating. Members of Congress and Congressional committee staff have a finite amount of time and focusing on issues that generate the greatest press coverage and interest from Republican partisans sucks oxygen away from legislative efforts that are much less likely to put a politician on a cable news channel or Sunday talk show. While the Committee's focus on scandals could be blamed on a politician's interest in gaining a place in the rotation of interviewees on television, a Washington Post story, entitled "House Republicans Broken Into Fighting Factions," suggests that the focus on scandals may reflect the inability of House Republicans to advance legislation that can become law without expanding the rift within the Republican caucus.

Postal Techology International: International logistics and freight forwarding company LGI Logistics Group International GmbH (LGI) has announced it is to purchase Deutsche Post DHL AG's fashion logistics business ITG GmbH (ITG) in a bid to expand its service offerings for current and future customers and simultaneously capture new growth opportunities.

Reuters: Private equity group CVC Capital Partners aims to sell part of its stake of Belgian postal service bpost for 12.5 euros to 15 euros (\$16.34-\$19.61) per share.

Philippine Information Agency: The Philippine Postal Corporation (PhlPost) recently inaugurated its first privately operated postal station located at the Caloocan City Hall.



## At the Postal Regulatory Commission:

Postal Regulatory Commission	
NOTICES	
Negotiated Service Agreements,	
33864 [2013–13213]	[TEXT] [PDF]
33865–33866 [2013–13214]	[TEXT] [PDF]
33864–33865 [2013–13278]	[TEXT] [PDF]

<u>CBC</u>: Reuters news agency is reporting that the online retailing giant Amazon is getting into the grocery business. Amazon has been testing a grocery delivery service called AmazonFresh in Seattle for at least five years, two people familiar with the company's plans but not authorized to speak about them told Reuters. The service employs Amazon's own fleet of trucks to deliver fresh food products such as fruit, eggs and meat to customers who order the groceries online.

## DMM Advisory: June DMM Update.

- Postal Explorer® (<a href="http://pe.usps.com">http://pe.usps.com</a>) 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. Yesterday we updated our mailing standards to include the following changes:
- Clarification of Eligibility Standards for Merchandise Return Service
  We revised <u>505.3.2.1</u> to remove a discrepancy regarding the mail products eligible for Merchandise Return Service (MRS). We published this information in the May 16, 2013, Postal Bulletin.
- Express Mail and Priority Mail Open and Distribute eVS Tags and Labels
  We revised 705.18.0 to include new tags and labels for Express Mail Open and Distribute<sup>TM</sup> and Priority
  Mail Open and Distribute<sup>TM</sup> mailings prepared under an authorized Electronic Verification System (eVS®)
  manifest mailing system. We published this information in the May 16, 2013, Postal Bulletin. Our next
  scheduled DMM update is July 28, 2013.

Pushing the Envelope: "The Global Logistics Revolution" -- Powerful forces like globalization and the digital revolution are changing how, when, and where things are produced, purchased, and delivered. Look at how our shopping habits have changed in just the past few years. With your smartphone or tablet you can shop anytime, anyplace. Offshore production trends are reversing, and some manufacturing jobs are returning to the United States. And major urban areas continue to grow and link into a global transportation supergrid that connects people, commerce, and ideas. If you're left off the grid, you could find yourself disconnected from the new global economy. The U.S. Postal Service Office of Inspector General recently released a white paper discussing the new logistics revolution and all the challenges and opportunities it presents — The Global Logistics Revolution: A Pivotal Moment for the Postal Service. The paper asks, in the face of all these changes, how can we make sure citizens and commerce continue to thrive? Perhaps postal organizations — here and around the world — have a key role to play. Some foreign posts already provide an array of logistics services ranging from comprehensive warehousing to customized, end-to-end cross-border and returns solutions that better serve customers and the new global economy. For some of these posts, these "value-added" logistics services are providing a new revenue stream to offset steep declines in traditional mail volume. . . .

## June 4, 2013

<u>Interfax-Ukraine</u>: By the end of 2013 the state-run enterprise Ukrposhta plans to introduce a project on the provision of administrative services to the public in all of its departments, Ukrposhta Director General Oksana Plotnikova has said in an interview with Interfax-Ukraine.

Post & Parcel: Ending mail deliveries on Monday in the Netherlands will have "limited consequences" on existing staff at PostNL, ministers have said. The Dutch government is currently working on switching the universal service provider from a six-day delivery week to a five-day delivery week, in order to cut operating costs as mail volumes continue their steep annual declines. The move would leave only Germany, the UK, Denmark and France with national requirements in place for the regular mail to be delivered six days per week, among European Union countries.

Dutch News: Economic affairs minister Henk Kamp has given PostNL permission to cut drastically the number of post boxes and post offices. Kamp told parliament in a written briefing that from 2015 the postal company can halve the number of post boxes to 8,700 and cut the number of post offices franchises from 2,500 to 1,000. This will save the struggling company €27m, Kamp said.

Postal Regulatory Commission		
NOTICES		
Meetings; Sunshine Act,		
33450–33451 [2013–13310]	[TEXT]	[PDF]
New Postal Products ,		
33451–33452 [2013–13078]	[TEXT]	[PDF]
Postal Service		
NOTICES		
International Product Changes:		
Global Reseller Expedited Package Contracts 2,		
33452 [2013–13129]	[TEXT]	[PDF]
Meetings; Sunshine Act,		
33452 [2013–13232]	[TEXT]	[PDF]

4-Traders: The Supervisory Board of Francotyp-Postalia Holding AG, Birkenwerder, has appointed Thomas Grethe as the new CSO with effect from 15 June 2013. The 53-year-old banker and business economist has over 27 years of sales experience in the IT and telecommunications industries. During this period, he held positions in sales management and management of leading companies in the Document Management industry including Oki Systems, Konika Minolta Printing Solutions and Ricoh.

WKYT: An astute postal employee helped put a stop to a foreign lottery scam. "Something is not right here. Why are you getting all these Express Mail packages from all over the US?" Mary Santiago asked the right question. She knows her customers and suspected one was running a mail fraud scam based here in the U.S. "I said I don't know what is going on, but she is getting Express mail from all over and it's usually once a week," says Santiago, a U.S. Postal Service employee. "It will stop, it will start up again. Something is not right here." Postal inspectors began tracking the Express mail labels the suspect was signing and found a pattern.

The Miami Herald: I have the greatest respect for the U.S. Postal Service. It's necessary and should not go away. It shouldn't do away with Saturday delivery service, either. But I have to ask: What happened to the letter carriers who took pride in getting the mail delivered correctly and in a timely manner? I have been sending mail to a friend every two months for the past nine years. I know he has not moved, but I recently got mail returned and marked "No such number." Is this code for "I didn't feel like working today?"

Press Release Point: Stamps.com®, the leading provider of USPS postage online and shipping software to over 450,000 customers, was named a finalist in the Electronic Commerce Solution category of the 2013 American Business Awards. The American Business Awards are the nation's premier business awards program. All organizations operating in the U.S.A. are eligible to submit nominations - public and private, for-profit and non-profit, large and small. More than 3,200 nominations from organizations of all sizes and in virtually every industry were submitted this year for consideration in a wide range of categories. Stamps.com was nominated in the Best New Product or Service - Software - Electronic Commerce Solution category for its PC Postage Version 10.1.

Australian Broadcasting Corporation: Australia Post says it helped catch a contractor who allegedly stole a large quantity of mail on southern Queensland's Darling Downs.

Post & Parcel: Germany's Federal Cabinet has given the green light to postal reforms designed to improve the level of competition in the letters market. The amendment to the Postal Services Act proposes to strengthen regulatory powers to guard against Deutsche Post abusing its dominant position in the German mail market in preventing rivals from competing. Philipp Rösler, the federal economics and technology minister, said: "With the Postal Services Act we will strengthen competition in the postal market.

that the US Postal Service (USPS) is using the company's role-based online sustainability learning solutions to engage and mobilize more employees to support the agency's strategic sustainability objectives. The new USPS online sustainability training program is available to 15,000 employees across multiple job functions. The new program is designed to build upon the successful accomplishments by the USPS Office of Sustainability to date, where they have spearheaded a number of initiatives to address national sustainability goals in waste reduction, energy conservation, fleet fuel reduction, recycling, water use, and consumables spending. USPS will use the Sustainability In Practice<sup>TM</sup> (SIP) library from Tripos Software to expand employee knowledge, awareness and participation.

<u>Washington Times</u>: A superstitious suburb of Toronto has outlawed the number four from its postal addresses because its translation into Cantonese and Mandarin rings too much of the word "death." The area is home to many Cantonese — but it's not only Asians who are turning their backs on the number.

The Information Technology & Innovation Foundation: "Postal Reform for the Digital Age"

wral: A Fayetteville postal carrier who was receiving worker's compensation payments after injuring herself on the job pleaded guilty to fraud in federal court Monday. Cathy Wrench Cashwell's claim that she couldn't lift mail trays into a truck due to a 2004 on-the-job shoulder injury was called into question in September 2009 when she appeared on "The Price is Right" and spun the "big wheel" twice. According to an indictment filed in September 2012, Cashwell "raised her left arm above her head and gripped the handle with her left hand." On a second spin, she "raised both arms above her head and gripped the same handle with both hands." In August 2010, the indictment alleges, Cashwell and her husband went ziplining as part of a Carnival Cruise vacation. She was also seen lifting and carrying furniture and bags of groceries with both arms on two different occasions in 2011. Federal investigators say Cashwell knowingly lied when she wrote on her worker's compensation paperwork in September 2011 that she couldn't stand, sit, kneel, squat, climb, bend, reach or grasp.

June 3, 2013



## At the Postal Regulatory Commission:

 RM2013-2 "Review Of Commission'S Price Cap Rules" Reply Comments of the United States Postal Service http://www.prc.gov/docs/87/87109/PriceCapRulesReplyComments.pdf

Austria Post would like to note that because of heavy rains since Sat. 1st June 2013 subsequent floods and mudflows have affected postal service in big parts of the country (Upper Austria, Lower Austria, Salzburg, Tyrol, Vorarlberg and also Styria). Consequently collection, transport and delivery of mail is not possible in these areas at the moment. Domestic and international mail could not be transported from SC Vienna to SC Hall in Tirol and vice versa from Sunday to Monday. Due to the closure of important main roads alternative transport routes have to be defined, therefore further delays are expected for the next days.

<u>Time</u>: A proposal to create a "hybrid" United States Postal Service would keep postal workers on their routes while allowing private companies to compete for mail collection, transportation, and processing. Now all it needs is

a divided Congress and a reluctant postmaster general to sign off on it. A new study released today by a non-partisan Washington think tank recommends a radical departure for the struggling United States Postal Service: a public-private partnership that would open up much of the service's back-end logistics to outside competition. A study released today by The Information Technology & Innovation Foundation adds a bit more to the discussion.

Isle of Man Today: More than 30 delegates representing small postal administrations including Barbados, Estonia, Falklands, Greenland and Swiss Post attended the three day forum at the Sefton Hotel, Douglas. It was hailed a first class success as the delegates found challenges common to all. With declining mail volumes, technical substitution, economic uncertainty and the changing social tenders of customers, all postal businesses are facing the same kind of challenges, be it a large post or small.

Press Release: UPS Freight®, one of the nation's largest heavy freight carriers, announced today a general rate increase of 5.9 percent for non-contractual shipments in the United States, Canada and Mexico. The rate adjustment will take effect on June 10, 2013, and applies to minimum charge, less-than-truckload (LTL) and truckload (TL) rates, and accessorial charges. Customers will be able to view and download the new rates at ltl.upsfreight.com on June 10, 2013.

Wall Street Journal: I'm not sure who to blame. His mother, perhaps, or the public school system. But it turns out that my son—days away from graduating from high school—does not know how to send mail through the U.S. Postal Service. I am not making this up. The boy has a smartphone, a tablet and a laptop, does some basic coding, is pretty good at computer-assisted design and gets excellent grades. He can bang out what appears to be 60 words per minute using only his thumbs. But a letter? Forget about it—he doesn't even know how to properly address an envelope. The only reason I discovered this is because his mother and I told him it was appropriate—and highly profitable—to send graduation announcements to his grandparents, aunts and uncles. I witnessed the entire confounding process.

Post & Parcel: A century after Austria Post's forerunner deployed its first electric vehicle to help deliver the mail in Austria, the national postal operator is now pushing to expand its electric vehicle fleet to 1,000 vehicles. The company has launched a new E-Mobility Post programme in partnership with the federal government's Climate and Energy Fund, and is now trialling seven all-electric tricycles as it prepares to more than triple the size of its current 265-strong electric vehicle fleet by 2015. The vehicles being tested are DXP machines supplied by Swiss manufacturer Kyburz, which last year scooped the World Mail Award for Technology.

ECNN: Rep. Darrell Issa, a Republican from California, took a heavy shot at White House Press Secretary Jay Carney today on CNN. Issa said Carney was a "paid liar." He said Carney was "making things up" when he said the IRS targeting of Tea Party groups was undertaken by "rogue" local employees. The review, said Issa, was "coordinated directly from headquarters in Washington."

#### June 2, 2013

<u>eCommerceBytes</u>: Every online seller needs to choose shipping options that get their merchandise to buyers reliably, fast, and affordably. But businesspeople on a limited budget are busy. They don't always explore all the shipping options available to them. The fact is that well-known services like the U.S. Postal Service (USPS), DHL, and FedEx aren't the only alternatives. This article provides a variety of opinions about how to choose the best shipper for your needs, especially options that help with overseas shipments.

WREG: It was a tough day at FedEx Friday as many longtime employees worked their last day after taking advantage of the shipping-giant's voluntary buyout plan. This is the first wave of workers leaving in the Memphis-based company's plan to reduce costs.

#### June 1, 2013

Pushing the Envelope: "Giving America a Voice: Digital Services" -- Nowhere has the digital revolution been more disruptive than in communications. The rapid evolution in Internet-based technologies has changed the

way businesses and individuals communicate and transact. They now rely on both digital and physical communications. This dramatic shift has certainly challenged the Postal Service, but also created opportunities for it to expand into digital services to meet customers' needs. What digital services might the Postal Service offer to serve customers and potentially generate new revenue? In the paper What America Wants from the Postal Service, our web survey of 5,000 Internet-connected Americans aged 18 years and older asked respondents to consider the Postal Service as a provider of digital services and to weigh in with their preferences of potential new digital services it could offer. Interestingly, an overwhelming majority of respondents (especially younger respondents) are comfortable with the Postal Service as a provider of digital services. Only 12 percent of respondents indicated they would not trust the Postal Service to provide any digital services. More than 80 percent of respondents trust the Postal Service for providing package tracking, followed by e-government services (34 percent), and identity verification services (nearly 30 percent). More than 40 percent of respondents expressed interest in having a digital mailbox service, while more than 55 percent of respondents see value in the Postal Service providing a delivery preference management system.

Politico: Republican National Committee Chairman Reince Priebus said Tuesday that House Oversight Committee Chairman Darrell Issa (R-Calif.) will be having "quite a summer" investigating the IRS controversy plaguing the White House. [EdNote: Postal reform? We don't need no stinking postal reform. . . . Good. 'Cause you're not gonna get it.]

Direct Marketing News: When the U.S. Postal Service (USPS) announced in February a plan to eliminate mail delivery on Saturday, mailers approved. Many told Direct Marketing News that by and large such a schedule would not significantly affect the logistics of their business; more important, mailers hoped that the revamped schedule, originally set to go into affect August 5 and which was estimated to save the USPS \$2 billion annually, would reduce the chances of an exigent rate increase. But on April 9, the USPS Board of Governors (BOG) discussed a restriction in a Continuing Resolution (CR) passed in March by Congress. The CR effectively stated that funding of the USPS is dependent on mail service continuing at 1984 levels. Consequently, the new national delivery schedule is, at least temporarily, off the table. This means the USPS will now have to consider all avenues to reduce costs and increase revenue; for mailers, this means that an exigent rate increase is wholly possible.

Orlando Sentinel: Stephen King would have a hard time coming up with a more horrifying plot for the U.S. Postal Service. Established in the Constitution, the U.S. system of post offices was converted in 1971 into an independent, self-supporting agency that's supposed to operate as a commercial entity. But thanks to our nation's dysfunctional Congress, the Postal Service has become a zombie agency. It's starved for money, and lurches from idea to idea to achieve financial viability. But nearly every time the Postal Service comes up with a potential solution — BANG! — Congress shoots it in the head.

The Guardian: If ministers get their way, our postal services will be sold off within a year. Details of the privatisation are taking shape: Goldman Sachs and UBS will be in charge of a consortium of investment banks providing advice in return for hefty fees (even if business minister Michael Fallon considers £30m "speculation", his letter to this paper yesterday did not rule out the sum); provision has been made for postal workers to enjoy a £300m stake; and the Royal Mail's chief executive, Moya Greene, is touring North America in the hope of rousing foreign buyers. Yet with the resolution of these second-order questions, the biggest one becomes harder to answer: why is the coalition flogging Britain's postal network?

Albany Times Union: A trip to the local post office turned frustrating for many Capital Region residents on Friday. U.S. Postal Service locations in the Capital Region were unable to process credit or debit card transactions because of a technical error with their internal systems. That meant that only cash or checks were being accepted for buying stamps or sending packages. Postal officials weren't able to say what was causing the problem, or when it might be fixed.

Roll Call: House Majority Leader Eric Cantor circulated a memo to House offices Friday afternoon outlining a busy schedule for the chamber's June work period. The Virginia Republican says the chamber will turn to an assortment of legislative measures, including four fiscal 2014 appropriations bills. Those measures fund a handful of departments and agencies, including the Agriculture, Homeland Security, Defense and Veterans Affairs departments, along with some other federal functions, such as the Food and Drug Administration. Spending bills are

being written at the \$967 billion level that includes the budget sequester's effects in the baseline. In addition, the farm bill is on track to actually reach the House floor this year. The Agriculture Committee reported out a bill before the Memorial Day recess. [EdNote: Nothing on postal reform.]

At the Postal Regulatory Commission: Today the Postal Regulatory Commission issued a request for comments on proposed rules to streamline the procedures for considering Postal Service proposals to make nationwide, or substantially nationwide, changes in the nature of postal services (N-Cases), 39 U.S.C. § 3661. If adopted, the proposed rules would set a 90-day time limit for the Commission to issue an Advisory Opinion, while still providing participants the opportunity to develop an adequate record on relevant issues.

RM2013- 2	Reply Comments of the Association for Postal Commerce
RM2013- 2	Valpak Direct Marketing Systems, Inc. and Valpak Dealers' Association, Inc. Reply Comments on Notice of Pr
RM2013- 2	Public Representative Reply Comments
RM2013- 2	Reply Comments of the National Postal Policy Council
RM2012- 4	Order No. 1738 - Notice of Proposed Rulemaking Regarding Modern Rules of Procedure for Nature of Service 3661 <a href="http://www.prc.gov/docs/87/87091/Order%20No.%201738.docx">http://www.prc.gov/docs/87/87091/Order%20No.%201738.docx</a> <a href="http://www.prc.gov/docs/87/87091/Order%20No.%201738.pdf">http://www.prc.gov/docs/87/87091/Order%20No.%201738.pdf</a>

Mailers' Technical Advisory
The notes from the recent MTAC Focus Group Sessions are to be
posted under the heading "Quarterly MTAC Meetings and Focus Group
Sessions: 2013" on the MTAC page of the Postal Service's RIBBS

website: <a href="https://ribbs.usps.gov/index.cfm?page=mtac">https://ribbs.usps.gov/index.cfm?page=mtac</a>. They are organized by focus area/track, each of which includes notes for all four class of mail sessions: Mail Preparation & Entry (Operations); Payment & Acceptance, Product Development and Visibility/Service Performance Measurement.

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

**DMM Advisory:** Tech Credit Pending Approval -- The Full-Service Technology Credit (Tech Credit) program is pending approval by the Postal Regulatory Commission (PRC) and will not begin on June 1, 2013. We will provide an update once the PRC decision is announced.