



Association for Postal Commerce

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July 2016 Postal News

July 31, 2016

NATIONAL NEWS

eCommerceBytes: The US Postal Service helps small online sellers stay competitive with retail giants when it comes to shipping. But when delivery by drone becomes a reality, small sellers may find themselves at a significant disadvantage.

Forsythe News: The USPS should not pull the rug out from Georgians who thought they would receive their mail at home, and in some cases, had already been getting home mail delivery for some time. Senior citizens, folks with disabilities, and others with physical limitations may find regular trips to the post office — or even a cluster box — fairly challenging. Earlier this month, I introduced the Common Sense Postal Delivery Restoration Act (H.R. 5750) to exempt developments that had already received the necessary permits or were under construction before the rule took effect, ensuring that residents receive mail in their personal mailboxes as promised. The USPS must not be in the business of implementing rules that force private land to be used at the agency's whim. No one in Northeast Georgia —or anywhere in our nation — needs another raw deal out of Washington. The USPS must honor its obligation to households that were eligible or already receiving mail prior to implementation of the 2012 rules. I will continue working with local developers, homeowners, and the USPS to make sure this reasonable goal is met.

The Grand Forks Herald: North Dakotans shouldn't need to create community-wide Facebook groups to sort through stacks of mail that end up at the wrong address. But that's exactly what folks in a south Fargo neighborhood had to do last year to get their mail, including everything from bills to employment forms, tax returns to medication. After I raised this serious problem with the postmaster general at a U.S. Senate hearing in January, I was encouraged when the Postal Service listened to my concerns and quickly replaced the community's mail carrier, hiring an interim carrier with years of experience. It was a good example of the Postal Service making needed improvements in North Dakota. But there's more work to do—and I'm excited that Postmaster General Megan Brennan has accepted my invitation to visit our state. She'll be on the ground in North Dakota this month to see our challenges up close.

July 30, 2016

NATIONAL NEWS

Financial Times: The seismic upheavals that transform entire industries usually take many years to play out. But sometimes, their effects burst through in a single, earth-shaking week. That was the case in the span of four days this week, when a tremor passed through the digital advertising industry. Beginning with the sale of former internet darling Yahoo to Verizon, then shaking Twitter into yet another setback and ending with surprisingly powerful earnings from Facebook and Google, it highlighted the massive shift in power under way in the advertising world. And it will continue to reverberate more widely in the traditional media business. Digital advertising is expected to top the \$200bn global TV advertising market within the next two years, ensuring the digital media industry's new duopoly will wield even greater power. Leaving aside China, where they don't operate, 72 per cent of the world's online advertising already passes through the online platforms of Facebook and Google, according to Brian Wieser, an analyst at Pivotal Research. As the digital pie grows, the two are set to take an even bigger slice, rising to 87 per cent by the end of the decade, he predicts. This will strike fear into browbeaten rivals in the rest of the media world

Wall Street Journal: Declining business investment is hobbling an already sluggish U.S. expansion, raising concerns about the economy's durability as the presidential campaign heads into its final stretch. Gross domestic product, the broadest measure of goods and services produced across the U.S., grew at a seasonally and inflation adjusted annual rate of just 1.2% in the second quarter, the Commerce Department said Friday, well below the pace economists expected. Economic growth is now tracking at a 1% rate in 2016—the weakest start to a year since 2011—when combined with a downwardly revised reading for the first quarter. That makes for an annual average rate of 2.1% growth since the end of the recession, the weakest pace of any expansion since at least 1949.

Wall Street Journal: In the first six months of this year, the economy gained over one million jobs. Steady jobs growth means higher labor costs for U.S. companies. The Labor Department on Friday reported that its employment-cost index, which measures wages and benefits, rose a seasonally adjusted 0.6% in the second quarter, rising 2.3% from its year-earlier level. Private-sector wages and salaries . . . were up 2.5% from a year earlier. That was the highest since 2008. Weak GDP and steady job growth could persist through the rest of the year. That could put the Federal Reserve at a crossroads, where the labor market has heated up to the point where rate increases are merited, but a slow-growing economy suggests it should stay its hand.

July 29, 2016

USPS Industry Alert: USPS Shipping Information Systems - Webinar Series IMpb Compliance Quality Metrics Tuesday, August 9, 2016, 11:00a.m. – 12 noon (ET). Join us as the Postal Service continues its series of informational webinars on IMpb Compliance Quality Metrics targeted for implementation January 2017. The webinars will benefit customers who ship parcels with USPS, particularly small to medium customers who ship Competitive Products – Priority Mail, Priority Mail Express, First-Class Package Service, Parcel Select, and Parcel Select Lightweight. The next webinar

scheduled in the series is: IMpb Compliance Work Group #178 Recommendations. Speakers: Juliaann Hess, Mgr. Mail and Package Information Systems; Heather Dyer, Business Process Specialist, Principal. Registration required. US/Canada Attendee Dial-in: (866) 381-9870; Conference ID: 78736026 To register click here: Attendee Direct

URL: <https://usps.webex.com/usps/onstage/g.php?MTID=efe10923f1b3f34482ed62aeb915ad374> If you cannot join using the direct link above, please use the alternate logins: Alternate

URL: <https://usps.webex.com> Event Number: 998 382 142

NATIONAL NEWS

Wall Street Journal: United Parcel Service Inc. on Friday reported profit rose 3.2% in the latest period, though higher fuel costs cut into climbing revenue from its U.S. and international package deliveries. UPS has been trying to make e-commerce as profitable as its traditional business-to-business deliveries. It posted some success in the first quarter as it sought to increase profitability by investing in software to improve delivery routes, among other changes. Oil prices rose during the latest quarter, and UPS said lower fuel surcharges in the quarter hurt results. The company's fuel surcharges are typically tacked onto shipments to cover that cost, but they lag rising fuel prices by a couple months.

Wall Street Journal: Traditional retailers are trying to use their storefronts to their advantage as they compete with burgeoning e-commerce sales, but the strategy has a critical flaw. Brick-and-mortar retailers are essentially fighting with their own cost-saving efforts at stores with their wide-ranging omnichannel solutions. The efforts are aimed at giving consumers their goods when and where they want, and essentially using stores as distribution centers for "click-and-collect" and "click-and-deliver" operations. But the new tasks being added at stores are running counter to bigger drivers in the business toward "load shifting," or getting consumers to handle more of the routine checkout work at stores. Reversing those efforts, Mr. Sheffi writes, won't help the retailers meet their critical need to improve the margins on their e-commerce sales.

Portland Press Herald: Online shoppers want their packages – now. And Amazon is spending heavily to make sure that happens. The company has announced plans for 17 new distribution centers in the U.S. alone since March, and has 123 centers worldwide. But fast delivery – everything from Prime's two-day service to one-day or one-hour options, grocery delivery and delivery for third-party sellers – doesn't come cheap. In the April-June quarter, for instance, Amazon spent \$3.88 billion on its distribution network, or what it calls "fulfillment," up 35 percent from the prior year. The company spent \$13.41 billion on fulfillment in all of 2015, up 25 percent from the prior year – and fully 13 percent of its \$104.8 billion in total operating expenses. "Costs to 'fulfill' products is one of their largest expenses, and they're always trying to figure out how to manage it better," said R.W. Baird analyst Colin Sebastian. "In the long term, creating more infrastructure for transportation and delivery will help drive more efficiency, but it adds to costs in the near term." Such heavy investment is a big part of what keeps Amazon's profit margins low relative to other big retailers. The company has also leased 40 cargo planes from Boeing and Atlas Air to create an air cargo network. Amazon says it doesn't plan to build its own delivery service, and is just looking to work more

closely with package-delivery services such as the U.S. Postal Service, FedEx and UPS. Still, the cargo fleet and drone experimentation are clear steps in taking more control of the delivery process.

INTERNATIONAL NEWS

AUSTRALIA: B&T: Nearly two-thirds of digitally savvy consumers report basing a purchase decision on delivery options. And they warn that they often abandon shopping carts before orders are submitted if the process is cumbersome.

July 28, 2016



PostCom Members !! The latest issue of the **PostCom Bulletin** is now available online. Hey! You've not been getting the weekly PostCom Bulletin--the best postal newsletter anywhere...bar none? **Send us by email** your name, company, company title, postal and email address. See what you've been missing.

POSTAL/FEDERAL NEWS

Federal Register: Postal Service NOTICES Meetings; Sunshine Act , 49698 [2016–18063] [[TEXT](#)]

USPS Industry Alert: Full-Service Mail Quality Metric Assessments and Mailer Scorecard Hotline Webinar. In May 2016, the Postal Service announced the postponement of the July 2016 Full-Service assessments to allow the industry additional time to access, utilize, and test the Full-Service Quality Metrics within the Mailer Scorecard. The Postal Service has worked closely with the industry to complete the testing. The USPS will begin assessments of Full-Service Mail Quality Metrics over the established threshold beginning in November 2016, based on October 2016 data. Full-Service Assessment is a removal of the Full-Service discount on pieces exceeding a Full-Service Mail Quality metric threshold within a calendar month. Reference section 4.2.2 Full Service Verifications via the following link to access information on the assessable metrics: Guide to Streamlined Mail Acceptance For Letters and Flats Reporting. To ensure mailers are prepared for the October 2016 assessment date, the Postal Service will continue outreach to every mailer and support the Mailer Scorecard Hotline calls. We encourage mailers to access the Full-Service Mail Quality Metrics and reach out to local USPS BMEU staff for assistance. Any irregularities or questions with the Mailer Scorecard should be reported through the webinar hotline calls, PostalOne! Helpdesk at 800-522-9085 or via email at postalone@usps.gov. Include the phrase "Mailer Scorecard" in the subject line of the email. Below is dial-in information for the Mailer Scorecard Hotline Webinar that will be held every Wednesday and Friday at 2PM (EDT) through October 2016. US/Canada Attendee Dial-In: 1-855-860-7461 Conference Code: 988 014 5406 Attendee Direct URL: <https://uspsmeetings.webex.com/uspsmeetings/j.php?MTID=mef6ed0d2d8023631b8a1f19aba177b>

NATIONAL NEWS

DHL Press Release: Deutsche Post DHL Group, the world's leading logistics provider, today announced a \$137 million investment plan for the U.S. domestic and cross-border e-commerce market. The Group's objective is to exploit the global B2C e-commerce market for shipments crossing borders which is expected to grow from \$400 billion today to a total global volume of \$1 trillion in 2020¹. Since U.S. online merchants take the leading role in selling internationally, DHL eCommerce will make substantial investments in the United States in the next years and expand its capabilities to serve businesses selling abroad significantly.

Quad Graphics Blog: At recent MTAC meetings, the USPS shared information on what's being considered for price adjustments that would take effect in January. With that, it appears that postal price increases in 2017 should be minimal. The USPS also announced some structural changes and possible insight into greater discounted categories of mail. At recent MTAC meetings, the USPS shared information on what's being considered for price adjustments that would take effect in January. With that, it appears that postal price increases in 2017 should be minimal. The USPS also announced some structural changes and possible insight into greater discounted categories of mail. At this time, these are only the intentions of the USPS Pricing group. They are not carved in stone since many layers of USPS approvals are needed before a price filing can take place. With the exception of the pricing implication for Standard Mail dropship letters, these should be positive changes. However, the devil is in the details. Until we see the actual mail pricing proposal and the mail class prices that go along with it, there is no way of knowing the impact.

Yahoo! Finance: Over the past half-decade, revenues have been growing in a steady manner, and the last fiscal saw UPS reaching an all-time high on operating profits. There seems to finally be some stability in International package revenue. In the first quarter UPS posted flat revenue growth on a constant currency basis, but operating profits increased by 15% year over year to \$574 million. The last mile shipment is typically the most expensive leg for any logistics company, and residential deliveries rose 6% during the first quarter, but thanks to the increasing emphasis on efficiency UPS was able to expand its margins instead of going the opposite way.

The Hill: The federal government is taking a number of steps to promote auto-safety technology in the U.S., but there is one area that may be getting overlooked: its own fleet of vehicles. Regulators are working to expand the prevalence of collision-avoidance systems and other semi-autonomous features in cars, which have been praised for their ability to save lives, reduce traffic and improve fuel use. The company, which just became a GSA-approved vendor earlier this year, points out that the U.S. Postal Service agreed to spend \$6.3 billion dollars on a brand new modern fleet of vehicles but made no mention of crash-avoidance features in its request for proposals. "The government supports the adoption of crash avoidance in our nation's vehicles," said Uri Tamir, Mobileye's director of strategic initiatives. "But for some reason, we still do not see the adoption of collision avoidance in the government's own vehicles."

INTERNATIONAL NEWS

LATVIA: *The Baltic Times*: The supervisory board of Latvijas Pasts national postal company has selected a new management board and CEO to the company, representatives of Latvijas Pasts has announced.

KOREA: *Korea JoongAng Daily*: High-ranking officials from leading postal services in 10 countries including Korea, China, Japan and the U.S. agreed to cooperate in raising the competitiveness of express mail service. During a board meeting of the Kahala Posts Group, an international alliance of postal administrations, held in Seoul on Wednesday, the members discussed the need to exchange information on delivery services among members to raise the on-time delivery rate to 96 percent.

IRELAND: *The Irish Examiner*: A working group to transform post offices into “social hubs” offering numerous community, financial, and retail services has been established. It comes after a report on the future of the country’s 1,300 post offices published by businessman Bobby Kerr recommended immediate action to tackle serious challenges facing the network. The report found many rural and isolated post offices are not viable and must adapt to remain open in the coming years. There were 198 closures between 2007 and 2010 and a further 24 net closures between 2011 and 2014. The new working group, which is made up of members of the Irish Postmasters Union (IPU); An Post; the Department of Arts, Heritage, Regional, Rural & Gaeltacht Affairs; Irish Rural Link; and community groups, met for the first time yesterday.

UNITED KINGDOM: *Postal Technology International*: Post and parcel delivery provider The Delivery Group, the parent company of Secured Mail Express (SME) and the CMS Network, unveiled turnover of £124m (US\$162m) in 2015, an increase of 55% year-on-year. The Delivery Group was formed in 2015 to amalgamate the services offered by SME and CMS, and currently employs more than 350 staff operating from locations in London, Luton and Warrington in the UK. SME provides specialist delivery services for the online retail and direct marketing sectors, while CMS is a provider of managed mail services and financial research distribution in the UK and internationally.

UNITED KINGDOM: *Postal Technology International*: Independent postal operator Whistl has seen a 24% year-on-year increase in its doordrop volumes in the UK thanks to an increase in the number of in-home sampling marketing campaigns from household brands. Marketing managers have been sending a variety of samples including personal health products, breakfast bars and tea bags to consumers as part of targeted campaigns that often include money off vouchers.

July 27, 2016

POSTAL/FEDERAL NEWS

Postal Regulatory Commission:

- **RM2016-6 Notice Reinstating Rulemaking**

<http://www.prc.gov/docs/96/96770/Notice%20Reinstating%20Rulemaking.docx>

<http://www.prc.gov/docs/96/96770/Notice%20Reinstating%20Rulemaking.pdf>

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Federal Register:

- **Postal Regulatory Commission** New Postal Products, 49284–49285 [2016–17776] [[TEXT](#)]

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- **Postal Service** First-Class Package Service Negotiated Service Agreement, 49285 [2016–17703] [[TEXT](#)] 49285 [2016–17705] [[TEXT](#)]

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USPS Office of the Inspector General: Has Transportation Between Network Distribution Centers Improved? -- Network Distribution Centers (NDCs) are part of Postal Service’s transportation network,

consisting of 21 facilities dedicated to handling and moving mail. Highway Contract Routes (HCR) contracts are competitive fixed-price agreements awarded to suppliers to transport mail between post offices, NDCs, and other designated points. HCR contracts are the largest single group of contracts in the Postal Service. In FY 2015, the Postal Service spent about \$579 million for HCR transportation between the 21 NDCs. The Postal Service in 2010 conducted a pilot program to better utilize the cubic space in trailers in order to reduce the number of HCR trips to NDCs. The pilot was a success and resulted in the consolidation of dedicated transportation lanes and trailer loading and unloading work hour reductions. The Postal Service expanded the pilot in 2011 to 17 additional NDC network transportation lanes. At the conclusion of the 2011 pilot, the Postal Service reported a reduction of 17 million miles for HCR transportation and a net 6-month savings of about \$4 million. As a result of the two successful pilots the Postal Service said they would continue the consolidation of HCR transportation lanes between NDCs.

NATIONAL NEWS

Fedweek: The IG’s office at the Postal Service has started a review of a management practice there, pay for performance, that has been tried—with varying degrees of success—in a number of agencies at various times. The semi-independent USPS is one of the few entities with a comprehensive pay for performance plan, which is for the primary pay program for executives, professionals, supervisors, postmasters, and non-bargaining technical and clerical employees. Ratings are linked to goals in areas including customer service, workplace environment, productivity and financial performance, based on their department unit. “According to the Postal Service, instituting these standardized, objective measurements has increased the objectivity of the Postal Service PFP Program, given employees access to their current performance data, and empowered employees to take a more active role in the tracking,” the IG said in announcing an audit. The IG said it wants to try to determine whether the program “provides fairness and transparency to recognize and award employee performance,” however.

Postalnews.com: A hacker is selling stolen credentials that purportedly give access to servers of the US Navy, Centers for Disease Control, US Postal Service, and other US government sites. Listings for the accounts were found recently by Tech Insider on a dark web marketplace called The Real Deal.

The Tribune-Democrat: Wheeler Bros. Inc. is the largest supplier of parts for the Postal Service and its ninth largest supplier overall, company president Chad Wheeler said. The Postal Service has announced plans to replace its aging Grumman Long Life Vehicle fleet with 180,000 new vehicles over eight years. The price is to be under \$35,000 per vehicle. But the agency has not identified funding and is still grappling with what type of vehicle is needed, Wheeler said. Since further delay is costing more in engine and transmission repairs, Wheeler said the Postal Service might want to consider upgrading some of the existing LLVs to a more efficient drive train. Wheeler offers engines and transmissions that could extend the fleet's life. Wheeler also is ready to work with other manufacturers to design the next generation of LLVs, he said.

The Atlantic: Jeff Bezos, the founder and CEO of Amazon, said in 2013 he dreamed that soon the packages his online company shipped to homes across the world would be delivered by drones. Amazon was founded in the U.S., which is also its largest market, but there the federal aviation regulations would not allow for drone delivery. On Monday, Amazon announced it had come to an agreement with the British government that eased laws enough to allow Amazon to test its drone-delivery system. The deal will allow operators to pilot the machines beyond the line of sight, to test automatic obstacle-avoidance technology, and to see if one person can safely pilot multiple drones simultaneously. Under the new agreement, Amazon can test drones carrying deliveries that weigh up to five pounds, which makes up 90 percent of the packages the company delivers. Drones are also restricted to flying below 400 feet.

INTERNATIONAL NEWS

AUSTRALIA: **Australian Broadcasting Corporation:** Australia Post says it lacks the legal authority and technology to detect illegal goods in the mail. The extraordinary admission was made in a letter written in response to a Freedom of Information (FOI) request lodged by ABC News. The request sought details of any investigations into illegal drugs being sent through the post. "Australia Post has an obligation to inform relevant authorities should it suspect the presence of illegal goods in mail items, but lacks the technology or equipment to detect [such goods]," the letter said. "Australia Post does not have, for example, sniffer dogs, X-ray machines or explosive trace detectors. "Australia Post lacks legal authority to open mail." The online market for illegal drugs largely relies on postal services like Australia Post to deliver purchases.

SINGAPORE: **Business Times:** Singapore Post (SingPost) on Wednesday introduced the country's first open parcel locker service. This will allow retailers and consumers to rent a locker to deliver and receive parcels, addressing the common hassle of missing the deliveryman, or in arranging meet-ups for Carousell transactions. "The service provides an innovative last mile delivery option to blogshop owners, marketplace sellers and consumers," Singapore's postal service said. A seller can now rent a SingPost locker, known as POPStation locker, at a location agreed with the buyer. The seller can drop off the parcel directly to the POPStation locker without having to arrange for courier delivery or meeting up with the buyer. The buyer will be notified and can collect the parcel any time within the rental period. Users can rent from about 140 POPStation locations island-wide, including commercial and neighbourhood areas

such as Housing & Development Board shopping complexes, community centres and clubs, post offices and tertiary institutions.

POLAND: Radio Poland: Private postal operator InPost will no longer continue postal delivery services, as of 1 August, the company announced. The company seeks to cease deliveries of traditional mail, with the exception of e-commerce, in an effort to cut expenses. The decision was taken “due to a drastic decline in profit and a lack of possibility to further reduce costs,” the company writes in a statement released online. InPost says that a part of the staff handling snail mail up till now will be transferred to operate the enterprise’s e-commerce platform. The company now intends to focus more on prospective segments such as e-commerce, courier services and self-service parcel-pickup lockers.

July 26, 2016

POSTAL/FEDERAL NEWS

Postal Regulatory Commission:

- **ACR2015 Third Response of The United States Postal Service to Commission Requests for Additional Information in the FY 2015 Annual Compliance Determination**
<http://www.prc.gov/docs/96/96768/ACD.Periodicals.Report%20Attach.xlsx>
<http://www.prc.gov/docs/96/96768/FY15.ACD.120.Day.Response.pdf>

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USPS Industry Alert: Election Mail Webinar Tuesday, August 2, 2016 from 2:00pm – 3:00pm (EDT). On Tuesday, August 2 at 2:00pm, please join the U.S. Postal Service’s Election Mail webinar that will provide essential information to assist mail owners and Mail Service Providers with their political and election mail, as well as the information needed to accept, verify and turn the mail over to operations. The USPS has been working very closely with election officials nationwide. In the last several months, thousands of meetings have been taking place with local political officials and USPS operations personnel to review mailing operations and timelines associated with the upcoming November elections. We hope that you can join us for this informative presentation. Registration required. Attendee Information: US/Canada Attendee Dial-in: (866) 381-9870 Conference ID: 55237645 To register and add webinar to your calendar click here: Attendee Direct
URL: <https://usps.webex.com/usps/onstage/g.php?MTID=ec290193351dc2c025c8ba534dc0cad3> If you cannot join using the direct link above, please use: Alternate URL: <https://usps.webex.com> Event Number: 995 524 731

USPS Office of the Inspector General:

- [Internal Controls over Voyager Card Transactions – North Tryon Station, Charlotte, NC](#)
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BACKGROUND. The U.S. Postal Service Office of Inspector General (OIG) uses data analytics, including predictive risk models and tripwires, to identify financial anomalies. Tripwires are analytic tools that look at

specific behaviors and patterns that are strong indicators of improper activity. The Voyager credit card tripwire identified purchases made outside of OIG-defined normal workhours (7 a.m. - 5 p.m.) at the North Tryon Station in Charlotte, NC. These types of purchases are considered suspicious and could indicate ineffective internal controls or fraud. Every Postal Service-owned vehicle is assigned a Voyager card and every driver receives a personal identification number (PIN). The card is used to pay for fuel, oil, and routine vehicle maintenance. Site managers are responsible for verifying Voyager card transactions and all supporting documentation. *The objectives of this audit were to review the validity of transactions outside of normal workhours and assess internal controls over the Voyager card transactions at the North Tryon Station.*

WHAT THE OIG FOUND. The OIG Voyager credit card tripwire identified 29 of 82 transactions (35 percent) valued at \$988 that were made outside of OIG-defined normal workhours. However, during our site visit, we verified the site had operating hours of 7 a.m. – 7 p.m. from Sunday through Saturday during November 2015 to January 2016, due to the holiday season. Therefore, we identified: 14 transactions that occurred outside of the site’s workhours and 15 that did not occur outside of the site’s workhours. All 29 transactions were missing receipts; therefore, we could not determine the validity of the purchases. We referred the information to the OIG’s Office of Investigation for further review. In addition, we determined internal controls over Voyager card transactions needed improvement. Specifically, the designees responsible for overseeing the program did not: (1) Secure and monitor card distribution. (2) Deactivate PINs timely; 125 transactions valued at \$3,170 were made using PINs of employees no longer working at the site. We referred the information to the OIG’s Office of Investigation for further review. (3) Require drivers to submit receipts or the mandatory form to explain missing receipts for 71 of 82 transactions (87 percent) valued at \$2,230. (4) Timely complete the dispute resolution process for 22 transactions valued at \$812. The site designee alleged the transactions . . . were made with a stolen PIN and started the process to dispute the transactions in FAMS; however, she did not complete the Postal Service Voyager Account Dispute Form and notify the OIG within 30 days of the charges first appearing. The designee stated she was not fully aware of the dispute process. We referred the information to the OIG’s Office of Investigation for further review. Finally, although outside our scope, we observed a stack of Forever stamps left unattended on the counter and accessible to the public and several secured doors in the dock entry area kept open during the day. As a result of this audit, management required the designee to take site manager training. The site manager also established a process for maintaining and collecting Voyager cards and receipts and deactivated PINs assigned to employees no longer working at the site. In addition, the postmaster met with all employees to reiterate the importance of maintaining site security and the site manager instructed employees to secure the doors used to enter the site at all times.

WHAT THE OIG RECOMMENDED. We recommended management establish controls to ensure the site manager and designees follow Voyager card standard operating procedures for PIN management and dispute resolution.

- [Nationwide Information Technology Hardware Inventory](#)
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Background. Information Technology (IT) hardware asset management is tracking and managing the physical components of computers and computer networks. The objective of hardware asset management is to provide accountability and inventory visibility for computer hardware. Organizations should actively manage all hardware devices connected to the network so they can detect unauthorized devices and allow only authorized devices to gain access. According to the SysAdmin, Audit, Networking, and Security Institute, “Inventory of Authorized and Unauthorized Devices” ranked first on the list of the 20 most critical IT security controls. This ranking highlights that managing hardware assets is essential to effectively responding to security events. The U.S. Postal Service’s network supports and maintains over 145,000 desktop computers, 23,000 notebook computers, 81,000 printers, and 310,000 hand-held scanners. The Postal Service IT team also supports 45,700 point-of-sale terminals and 2,850 self-service retail kiosks nationwide. The Postal Service organizational units in physical possession of IT asset hardware are responsible for those assets and record keeping relating to them. In March 2015, the U.S. Postal Service Office of Inspector General published a report titled Hardware Inventory Management – Greater Boston District (Report Number IT-AR-15-004). The report identified significant security control weaknesses in how hardware assets were managed and safeguarded. *We conducted this nationwide audit to determine if the Postal Service had nationwide issues similar to the issues identified in the Greater Boston district. The objective of the current audit was to determine if the Postal Service had an accurate physical inventory of computer hardware assets connected to the IT network.*

What the OIG Found. Overall, the Postal Service has an accurate inventory of hardware assets connected to the IT network (56.x.x.x network) at the 15 facilities we visited in five of the seven areas. We verified the physical location of 674 of the 677 (99 percent) hardware assets.

What the OIG Recommended. The Postal Service had an accurate inventory of hardware assets connected to the IT network at the 15 facilities we visited; therefore, we are not making any recommendations.

- [Surf's Up](#)
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The U.S. Postal Service’s foray into digital products is similar to the United States’ showing in international soccer tournaments. We start strong, but then fall behind the rest of the world powers The paper examines how major global posts have navigated the waves of digital innovation and then compares the Postal Service to other operators. We found that when it comes to revenue-generating purely digital services, the Postal Service lags behind many of its peers like the Swiss, Danish, or French posts. It is hindered by a legal framework that doesn’t allow it to enter into new non-postal services and a strategic and cultural focus on the physical core business. However, the Postal Service is among the top posts in enhancing its core letter and parcel products with digital services. Even within a constrained regulatory

environment, the Postal Service still has room to advance a transformative digital strategy. The paper argues for a digital strategy around four building blocks

Federal Register:

Postal Regulatory Commission -- Update to Product Lists, 48711–48715 [2016–17632] [\[TEXT\]](#)

Postal Service

Enterprise Payment System and Enterprise P.O. Boxes Online, 48711 [2016–17425] [\[TEXT\]](#)

Priority Mail Express Negotiated Service Agreement, 48858 [2016–17704] [\[TEXT\]](#)

NATIONAL NEWS

CNET: Self-driving cars are the future, so why not use them to do our bidding? Yamato, a postal service in Japan, is hoping to do just that, as the company will next year trial self-driving delivery vehicles. It's partnering with IT company DeNA for the project, dubbed Roboneko Yamato. Roboneko Yamato will start its trial in March 2017. The testing phase will last a year, and will use two models of self-driving vehicles.

While other major delivery companies, such as DHL, have given considerable thought to implementing a self-driving delivery service, no company has as of yet made movements to get autonomous vehicles on the road.

INTERNATIONAL NEWS

BERMUDA: Bernews: Bermuda's Postmaster General, Major [Ret'd] Allan Wayne Brunell Smith, was elected as Secretary General of the Caribbean Postal Union at its Annual Conference. A spokesperson said, "The Caribbean Postal Union [CPU] was established to provide technical support to its members to assist them with becoming more efficient, effective, modern and sustainable.

"The CPU currently consists of 30 member countries, including most of the Caribbean, Central and South America, as well as the United States of America, Canada, France, United Kingdom and the Netherlands.

UNITED KINGDOM: Money Magazine: Amazon announced Monday that it will partner with the United Kingdom's government to test new methods of drone delivery. Along with the UK Civil Aviation Authority, Amazon will research operations beyond line of sight in rural and suburban areas, test sensor performance to ensure that drones can recognize and avoid obstacles, and experiment with single-man operation of multiple drones.

UNITED KINGDOM: Rural Services Network: Postal deliveries to and from remote and sparsely populated areas must not be jeopardised, the Rural Services Network has warned. The network issued the warning in its response to a review by the Department for Business, Energy and Industrial Strategy. Government ministers are seeking views about postal services – in particular the Universal Service Obligation, which aims to protect deliveries and collections in smaller communities. The network said the government should use the review to reaffirm its commitment to postal deliveries to countryside communities.

UNITED KINGDOM: BBC: Postal workers at Crown offices are to be balloted on strike action over job cuts, pension changes and post office closures, the Communication Workers Union says.

July 25, 2016

NATIONAL NEWS

Post & Parcel: The United States Postal Service (USPS) has said that it supports the proposed amendments to the terminal dues structure that are scheduled to be considered at the upcoming 26th Universal Postal Union (UPU) Congress. In a filing submitted to the US Postal Regulatory Commission (PRC) on Thursday (21 July), the USPS said: "In the Commission's [the PRC] most recent Annual Compliance Determination Report, the Commission acknowledged that the Postal Service had lost \$74.8m in FY 2014 (with cost coverage of only 70%) and had lost \$97.9m in FY 2015 (with cost coverage of under 72%) from the Inbound Letter Post product for which foreign postal operators pay terminal dues." The USPC continued: "The UPU proposals would create a new structure for terminal dues based on shape that would address these imbalances and would be expected to reverse this trend of Postal Service losses. "Indeed, the new structure breaks apart the calculation of terminal dues for letters (category "P") and flats (category "G") from the calculation of terminal dues for packets (category "E"), better aligning the rate methodologies with the separate categories. "The new terminal dues structure will

more closely relate the costs of processing and delivering to corresponding shapes of mail pieces, applying a different formula to calculate rates for packets than for letters and flats.

Mesothelioma.net: A report has been released by the Postal Service's Inspector General indicating that the agency's employees are being endangered as a result of exposure to asbestos and other hazards within the Postal Service's buildings. Included among the concerns cited are wild animals such as birds and squirrels running through the buildings, mold growing on walls, and asbestos that is putting employees at risk of mesothelioma and other serious medical conditions. The Inspector general looked closely at over twenty different buildings and found that 90 percent of them had issues that would represent violations of regulations established by the Occupational Safety and Health Administration (OSHA). The lapses all represented issues that put employees at risk and create a question of liability for workers' compensation lawsuits and other claims for the agency, as well as fines. The report listed potential repercussions including "OSHA fines and penalties; poor employee morale and increased turnover; risk of injuries to customers and employees; and related costs such as workers' compensation claims, loss of work and productivity, and lawsuits."

Daily Caller: Democratic National Committee documents recently released by WikiLeaks include spreadsheets and emails that appear to show party officials planning which donors and prominent fundraisers to provide with appointments to federal boards and commissions. "The disclosed DNC emails sure look like the potential Clinton Administration has intertwined the appointments to federal government boards and commissions with the political and fund raising operations of the Democratic Party," Boehm told The Daily Caller. One tip-off that the document is detailing a quid pro quo is an entry next to the name of David Shapira, the executive chairman of grocery store chain Giant Eagle, Inc. "USPS" — a likely reference to the U.S. Postal Service — is entered on the spreadsheet.

Daytona Beach News-Journal: Take a drive through south Bunnell, in the five blocks or so around East Drain Street and Martin Luther King Boulevard, and you may notice something that's never been there before: mailboxes — more than 120, shiny and slick. It's the first time in many years that some residents in this neighborhood can hope to have mail delivered to their homes, rather than renting a post office box. Hope is the operative word, though; the Postal Service has continued to resist delivering to this area, even after a more than yearlong battle that began with a local pastor. Postal Service representatives say the residents haven't followed the proper procedure to get their mail delivered, even after multiple petitions. Residents and members of the Flagler branch of the NAACP say the Postal Service flat-out refuses to deliver there.

eCommerceBytes: You've seen us write about the issue of Terminal Dues of late, which is what postal services around the world charge each other for last-mile delivery. The issue is important, since some overseas merchants may pay less than domestic merchants to ship to US consumers, seen as harmful to small businesses in the United States. The issue is also timely - urgent, even - because the US only has a short time before the Universal Postal Union will set Terminal Dues rates for the years 2018 - 2021. The Department of State has been negotiating the rates with the UPU and, as required by law, has sought the view of the Postal Regulatory Commission. But what does the USPS think of the proposed rates?

American Postal Workers Union: The [new contract between the APWU and USPS](#) can now be viewed online. Click here to view the text. The 2015-2018 Collective Bargaining Agreement is the result of a decision issued by Arbitrator Stephen B. Goldberg on July 8.

INTERNATIONAL NEWS

CANADA: **Montreal Gazette:** In the current round of bargaining with the Canadian Union of Postal Workers, Canada Post Corporation is proposing that future postal workers — those to be hired from day one of the next collective agreement — get an inferior, defined-contribution pension plan, whereas current workers would keep their defined-benefit plan.

As usual, management is asking for concessions, while the union is trying to make some gains. This is normal. What is striking is that compensation rollbacks, should they occur, would be borne not by all Canada Post workers, but primarily by new hires.

INDIA: **Economic Times:** E-commerce companies seem to increasingly prefer India Post for delivery, with the government mass mailer witnessing a 110% growth in booking of consignments in Mumbai in 2015-16 compared to the previous financial year. Khaki-clad postmen have an edge over private courier services when it comes to deliveries in far-flung locations or scarcely populated areas, say officials. Amazon Sellers is the top e-tail customer of the Department of Posts (DoP) in Mumbai. The revenue earned by DoP from e-commerce parcels has jumped from Rs 13.64 crore in 2014-15 to Rs 22.53 crore in 2015-16. "Sending a parcel through the post guarantees delivery irrespective of the pin code of the buyer. Private couriers cannot give this assurance as it's not feasible for them to operate in remote areas," said E V Rao, director, postal services, Mumbai region.

CAMEROON: **Data Center Dynamics:** The Director General of the United Nation's Universal Postal Union, Bishar Abdirahman Hussein, visited the Cameroon Postal Service data center late last week and highlighted the growth potential of the industry. He said, according to AllAfrica: "I have travelled and seen data centers across the world but what is in Cameroon is awesome. The country is on the right path for digital revolution. This is a success and achievement in postal operations."

July 24, 2016

NATIONAL NEWS

CNBC: The Democratic platform laid out some of the party's main talking points for the general election, but also included one that may seem unusual, even bizarre, to some. The 55-page platform said that a Hillary Clinton administration would work to let the U.S. Postal Service offer "basic financial services," including cashing checks and giving USPS more flexibility in choosing with services it provides, in an effort to revitalize the government service.

July 23, 2016



PostCom Members!! The latest issue of PostCom's [Postal Operations Update](#) has been posted on this site.

POSTAL/FEDERAL NEWS

USPS Office of the Inspector General: This information has recently been updated, and is now available.

- [Delivering Results, Innovation, Value, and Efficiency 3 – Optimize Retail Platform](#)
-
- [Delivery and Customer Service Operations - Austin-McNeil Station](#)
-
- [Internal Controls Over Voyager Card Transactions - Fort Collins, CO, Main Post Office](#)
-

Can you affect your pay-for-performance outcomes? -- The Postal Service uses the Pay-for-Performance (PFP) Program as the primary pay program for executives, professionals, supervisors, postmasters, and non-bargaining technical and clerical employees. PFP is a balanced scorecard to rate employees' performance for the year. National Performance Assessment (NPA) goals are provided to employees including customer service, workplace environment, productivity and financial performance, based on their department unit. For most field employees, NPA corporate and unit indicators are the sole measure of performance. For headquarters employees, national NPA includes both individual assessments on performance objectives and subjective evaluations. Field employees are not rated with subjective evaluations. According to the Postal Service, instituting these standardized, objective measurements has increased the objectivity of the Postal Service PFP Program, given employees access to their current performance data, and empowered employees to take a more active role in the tracking. Our audit objective is to determine whether the Postal Service PFP program provides fairness and transparency to recognize and award employee performance.

Market Dominant Billing Determinants: Standard Mail

Background. The U.S. Postal Service prepares billing determinant spreadsheets to report revenue, volume, and weight for the five market dominant classes of mail: Standard Mail, First-Class Mail, Periodicals, Package Services, and Special Services. Mailers use Standard Mail to send small parcels and printed matter such as flyers, circulars, advertisements, newsletters, bulletins, and catalogs. The Postal Service obtains data for Standard Mail billing determinant spreadsheets from data sources that include revenue, pieces, weight, and shape. The Postal Accountability and Enhancement Act of 2006 requires the Postal Service to produce an Annual Compliance Report (ACR) within 90 days of the end of

each fiscal year. The report analyzes cost, revenue, pricing, and quality of service for all products. The Postal Service files billing determinant spreadsheets to support the ACR. Management also uses billing determinant spreadsheets to help make decisions regarding price adjustments and to ensure these adjustments do not exceed price caps for each market dominant class of mail. Our objective was to assess the procedures used to prepare fiscal years (FYs) 2014 and 2015 Standard Mail billing determinant spreadsheets and the completeness and accuracy of the data.

What the OIG Found. Opportunities exist to improve the accuracy and completeness of Standard Mail billing determinants. Specifically, FYs 2014 and 2015 spreadsheets contained incorrect calculations of Intelligent Mail barcode incentives, handling fees, and detached address labels. In FY 2014, Picture Permit mail was incorrectly omitted from the billing determinant spreadsheets. Although these errors did not impact compliance with price cap requirements, future billing determinant calculation errors might. The errors existed because the Postal Service used manual processes to create the spreadsheets and controls over the Standard Mail billing determinant practices were inadequate. The manual preparation and complexity of the Standard Mail billing determinant spreadsheets create a risk of data entry errors. The Postal Service refiled FY 2015 Standard Mail billing determinants to correct an error in Move Update fee calculations. The Postal Service also began enhancing internal controls over billing determinant spreadsheets by establishing an informal review and documenting the process for preparing them. The process document was in draft form at the time of our audit; however, the document could be improved by including a standard template, version control, and higher level internal review process.

What the OIG Recommended. We recommended management consult with the Postal Regulatory Commission to determine whether the FY 2014 Standard Mail billing determinant spreadsheets should be refiled due to the identified errors. Also, we recommended management explore the cost-benefit of fully automating the process or further leveraging Microsoft Excel tools to prepare billing determinant spreadsheets. Lastly, we recommended management complete ongoing efforts to validate that all Standard Mail billing determinant spreadsheets are produced using documented and repeatable processes to minimize errors and include a higher level internal review.

Industry Alert:

Exploring the Postal Explorer Website Webinars. Join Product Classification on either Wednesday, July 27, or Thursday, July 28, for one of two Postal Explorer® demonstrations. The site has been enhanced to better engage with today's media tools.

Registration is required. Instructions for participating in the webinars appear below:

- Attendee Information: **Wednesday, July 27, 2016 at 1:00pm (EDT)** Dial-in: (866) 381-9870 Conference ID: 53236844. To register and add webinar to your calendar click here: Attendee Direct
URL: <https://usps.webex.com/usps/onstage/g.php?MTID=eb937d118a7f896e28ba9620506096158>.
If you cannot join using the direct link above, please use the alternate login: Alternate

URL: <https://usps.webex.com> Event Number: 992 590 428

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- Attendee Information: **Thursday, July 28, 2016 at 11:00am (EDT)** Dial-in: (866) 381-9870 Conference ID: 53241811. To register and add webinar to your calendar click here: Attendee Direct
URL: <https://usps.webex.com/usps/onstage/g.php?MTID=e25e2c110b4c5cd6257b44265b710145f>. If you cannot join using the direct link above, please use the alternate login: Alternate
URL: <https://usps.webex.com> Event Number: 996 649 314
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NATIONAL NEWS

Sacramento Bee: The U.S. Postal Service plans to continue delivering groceries to homes in the Sacramento area and expand its experimental business model to more markets. In partnership with AmazonFresh, the delivery service has the Postal Service's fleet delivering fresh groceries and prepackaged goods to customers in 38 experimental ZIP codes, including metropolitan areas such as Sacramento, Los Angeles, San Diego and New York City. Meiko Patton, Sacramento region Postal Service spokeswoman, said the market test has been operating in Sacramento since mid-March 2016.

Postal Technology International: Brody Buhler, global managing director of Accenture's post and parcel business, explores the results of the company's latest Differentiating Delivery survey. While safe, secure, timely delivery has always been a priority for e-tailers, delivery has never been as essential to the bottom line as it is today. This increasing importance means it now affects pre-purchase decisions just as much as it does repeat sales.

Federal News Radio: The United States Postal Service exists in a strange limbo: it does not qualify as a federal agency because it is completely self-funded, yet it is subject to congressional oversight. That can be a frustrating situation for executives who must figure out how to function under the restrictions imposed by lawmakers. Jeff Williamson, chief human resources officer at USPS, outlined four key changes he would like to see in postal reform legislation on week four's episode of Federal News Radio's Agency of the Month program, featuring the U.S. Postal Service for the month of July.

INTERNATIONAL NEWS

IRELAND: The Irish Times: The volume of mail making its way through An Post's trays, cages and vans has been declining about 5 per cent per annum in recent years and is now down 35 per cent since 2007. And with private post accounting for only 10 per cent of mail in Ireland, the threat is clearly a move to online communications. An Post is now very reliant on its biggest customers – the banks and utility companies – continuing to use the service “and they are driving everybody online”, An Post chairman designate Dermot Divilly said this week.

KENYA: ***The Star:*** The postal corporation board on Thursday fired with immediate effect CEO Enock Kinara and appointed Daniel Kagwe as the Acting Postmaster General. Kinara was on official duty in Cameroon when the board made the decision. He had earlier this year been embroiled in a tug of war with the board that wanted to sack him.

July 22, 2016

POSTAL/FEDERAL NEWS

Postal Regulatory Commission:

- **IM2016-1 Comments of the United States Postal Service**
<http://www.prc.gov/docs/96/96735/USPS%20Comments.pdf>
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- **IM2016-1 Comments of Lexington Institute**
http://www.prc.gov/docs/96/96744/Lexington%20Terminal%20Dues_.pdf
-
- **IM2016-1 Comments of Federal Express Corporation**
<http://www.prc.gov/docs/96/96728/FedEx%20Comments%20IM2016-1.pdf>
-
- **IM2016-1 Comments of U.S. Chamber of Commerce**
<http://www.prc.gov/docs/96/96725/PRC-Letter-UPUTerminalDues-7-21-2016.pdf>
-

Federal Register:

- **Postal Regulatory Commission New Postal Products, 47446 [2016–17238] [TEXT]**
-
- **Postal Service New Hazardous Materials Packaging Provisions, 47446–47447 [2016–17203] [TEXT]**
-

NATIONAL NEWS

The Daily Caller: Postal Service employees are exposed to asbestos, mold and other “sanitary issues” in agency buildings where birds and squirrels sometimes run amuck, which could result in nearly \$19 million in fines, a government watchdog reported. Most of the 20 Postal Service facilities examined by the agency’s inspector general (IG) had safety issues, security lapses or potential Occupational Safety and

Health Administration (OSHA) violations, which threaten employee and customer safety and risk lawsuits and worker compensation fees.

INTERNATIONAL NEWS

DENMARK: *Copenhagen Post*: Traditional symbols of Danish postal services – yellow vehicles and red postman uniforms – will soon disappear from the streets. Post Danmark has decided to replace the classic colours with blue as part of its merger with the Swedish postal service Posten AB. “Sweden has already changed the [traditional] yellow colour of postman uniforms to blue and we have now launched the same process at home,” Peter Kjaer Jensen, the head of PostNord Denmark, told Finans.

July 21, 2016

POSTAL/FEDERAL NEWS

USPS Office of the Inspector General:

- **Facility Condition Reviews-Capital Metro Area**

Background. The U.S. Postal Service has more than 30,000 leased and owned retail facilities nationwide. About 2,600 of them are in the Capital Metro Area. The Post Office lobby is the principal business office of the Postal Service and the only close-up view of postal operations for many customers. Its appearance directly affects the Postal Service’s public image. The Postal Service must maintain a safe environment for both employees and customers and follow safety laws set forth by the Occupational Safety and Health Administration (OSHA). *Our objective was to determine if Postal Service management adhered to building maintenance, safety and security standards, and employee working condition requirements at retail facilities.* We reviewed 20 facilities in the Capital Metro Area and assessed items related to building appearance, safety and security, customer complaints, and workplace environment and violence. We also assessed whether each facility was handicap accessible. This is the first in a series of audits assessing retail facility conditions nationwide.

What the OIG Found. The Postal Service must improve adherence to building maintenance, safety and security standards, and employee working condition requirements at its retail facilities. We reviewed 20 facilities and found: These conditions were due, in part, to landlords failing to perform or adequately complete requested repairs. Also, because of competing priorities, local management did not focus on cleaning and general maintenance and repairs; concerns for health, safety, and security; local customer complaints; and ensuring required posters were displayed at facilities. Additionally, some repairs were not a priority due to budget constraints. Eleven (55 percent) had

lighting issues; Ten (50 percent) had building appearance issues; Eighteen (90 percent) had potential OSHA violations related to building safety and security; Eighteen (90 percent) did not maintain a customer complaint log or monitor how promptly complaints were resolved; Sixteen (80 percent) did not display posters informing employees what to do when injured at work; Six (30 percent) did not display posters related to proper conduct on Postal Service property; Eight (40 percent) had security issues; and All 20 complied with handicap accessibility requirements. These conditions were due, in part, to landlords failing to perform or adequately complete requested repairs. Also, because of competing priorities, local management did not focus on cleaning and general maintenance and repairs; concerns for health, safety, and security; local customer complaints; and ensuring required posters were displayed at facilities. Additionally, some repairs were not a priority due to budget constraints. Finally, although the Postal Service periodically inspects building safety and maintenance, it does not assess building appearance and other important factors that impact the overall retail experience, such as cleanliness and needed repairs. Attention to these areas will reduce the Postal Service's exposure to OSHA fines and penalties; poor employee morale and increased turnover; risk of injuries to customers and employees; and related costs such as workers' compensation claims, loss of work and productivity, and lawsuits. Poorly maintained and unappealing lobbies can also reduce brand loyalty, which impacts revenue. Local management began taking corrective action by addressing some of the building safety issues such as unblocking emergency exits; and displaying missing workplace environment, workplace violence, and OSHA posters identified during our review.

What the OIG Recommended. We recommended management develop an action plan to address all building maintenance and safety and security issues identified during our review. We also recommended management provide training to improve building maintenance, cleanliness, safety and security standards, management of local customer complaints, and the display of required posters. Finally, we recommended management develop a process to improve coordination among Facilities personnel, facility managers, and landlords to timely resolve repair issues and reassess the safety inspection process to include a review of facility security, maintenance, repair, and cleanliness issues.

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- **International Paper Money Order Service**

Background. The U.S. Postal Service has agreements with 27 foreign countries to accept and cash their money orders in the U.S. In return, those countries accept Postal Service money orders issued to recipients in their countries. This international paper money order (IPMO) service provides customers a means to send funds abroad. IPMO sales have declined drastically, from \$60 million in fiscal year (FY) 2010 to \$34 million in FY 2015. In FY 2015, the program generated only \$500,000 in revenue from money order fees. Worldwide, the international money transfer market grew between 3 percent and 11 percent annually from 2010 to 2014. The U.S. is the number one sender of international money transfers capturing 22 percent of the market. U.S. residents sent \$110 billion in

money transfers to other countries in 2010 and \$130 billion in 2014. In FY 2014, the Postal Service sold just \$38 million worth of IPMOs, which represented only 0.03 percent of the U.S. outbound international money transfer market. The Postal Service's domestic money orders program faces challenges similar to those of the IPMO program. In the wake of alternatives from other providers and broad shifts toward electronic forms of payment, domestic money order sales plunged 60 percent from their peak of 233 million in FY 2000 to 93 million in FY 2015. *Our objective was to evaluate the Postal Service's IPMO program and identify opportunities for improvements and revenue growth.*

What the OIG Found. The Postal Service's IPMO program is not well-suited for today's fast-paced environment as new technologies enable customers to send and receive money faster through electronic channels. These faster and more convenient alternatives contributed to a steep decline in paper money order sales in recent years. If the decline continues, we project revenue will be about \$151,000 in FY 2020, a relatively insignificant amount for Postal Service operations. Demand for electronic international money transfer services is strong worldwide. While the Postal Service currently provides electronic international money transfer service from the U.S. to 10 Latin American countries, its volume has steeply declined in recent years. In FY 2014, the program transferred \$13 million, which was only 0.01 percent of the U.S. outbound remittance market, and it generated less than \$460,000 in revenue. If the declining trend continues, we estimate the program will not generate any revenue by FY 2019. Our analysis shows that if the Postal Service could increase its market share from 0.25 percent in the first year to 3 percent in year 5 by improving and expanding its service, it could generate an average revenue of \$89.2 million annually over the 5-year period. The Postal Service has also experienced large declines in domestic money orders sales. However, we estimate that by adding digital technologies along with active strategic management and marketing, the Postal Service would gain an average of \$30.2 million in additional profit annually over the 5-year period.

What the OIG Recommended. We recommended management remake the international paper money order program into an enhanced electronic international money transfer services program and improve the domestic money order program by adding digital technologies along with strategic management and marketing. In addition, we recommended management assign a project manager to oversee revenue growth opportunities for money transfer services and products.

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- **Riding the Waves of Postal Digital Innovation**
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- From the 1980s to the early 2000s the Postal Service was an early innovator in pure digital services, like secure email or electronic payments. Today, the Postal Service's offering of pure digital services is limited. Based on the results of the 2015 Universal Postal Union "Measuring Postal eServices

Development” survey, our paper examines how major global posts have navigated the waves of digital innovation and then compares the Postal Service to these operators. When it comes to revenue-generating pure digital services, the Postal Service lags behind many of its peers, such as the Swiss, Danish or French posts. It is hindered by a legal framework that doesn’t allow it to enter into new non-postal services and a strategic and cultural focus on the physical core business. For the most part, the Postal Service has refocused its digital efforts on enhancing core products and services — and ranks among the top posts in this area.

Even within a constrained regulatory environment, the Postal Service still has room to advance a transformative digital strategy. The paper argues for a digital strategy around four building blocks: (1) Leveraging data and the Internet of Postal Things to gain more real-time control over fleet and operations, and build more customer-centric and information-rich value environment. (2) Digitally enhance core products and services, for example, developing a connected mailbox equipped with sensors that could enable temperature-sensitive deliveries or monitor delivery and pickup times. (3) Rejuvenate its digital portfolio of revenue-generating digital services, such as by modernizing legacy products like hybrid mail, the Electronic PostMark (EPM), or electronic money transfers. New use cases for these products could also be explored, such as a secure supply chain assurance solution based on the EPM. (4) Accelerate digital transformation by adopting best practices when it comes to stimulating digital innovation from within, or the Postal Service could learn to partner with nimble external innovators, as some foreign posts have done.

INTERNATIONAL NEWS

CANADA: *Oliver Chronicle*: Customers no longer have to worry about being collateral in the Canada Post labour dispute. The corporation and its workers have kicked the can down the road in their negotiations and set a deadline for action. Canadians were threatened with the possibility of a lockout or a strike last week, but both sides have agreed to return to the table for a 30-day cooling-off period, and if a full deal isn’t settled by the end of 30 days, both parties will have to agree to binding arbitration.

July 20, 2016

POSTAL/FEDERAL NEWS

Postal Regulatory Commission: The PRC has rejected the USPS' proposal to reconsider its decision that FS IMb and other operational requirement changes be considered as part of the price cap.

Federal Register: Postal Regulatory Commission *New Postal Products*, 47182–47183 [2016–17085]
[TEXT]

USPS Office of the Inspector General:

- What is Your Experience with the Roanoke, VA, Processing Facility? -- In an effort to align its mail processing infrastructure with declining mail volume, the Postal Service has consolidated some mail processing facilities nationwide. Before starting a consolidation, the Postal Service must evaluate service standard impacts for all classes of mail and consider issues important to local customers. Some mail processing operations at the Roanoke, VA, Processing and Distribution Center (P&DC) have been consolidated into the Greensboro, NC, P&DC. We plan to determine whether this move adversely affected customer service. We will also evaluate whether a business case existed to support the consolidation.

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- Package Processing Machine Capacity

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Background. Strong consumer demand for goods purchased over the Internet has driven package volume growth in a declining mail market. This growth provides the U.S. Postal Service an opportunity to counter declining or stagnant mail volume. In August 2015, the Postal Service projected that package volume would grow at a minimum of [redacted] annually through 2020. The Postal Service's strategy for the increasing package volume is part of its Delivering Results, Innovation, Value, and Efficiency (DRIVE) Initiative 43. DRIVE is a management process to improve business strategy development and execution. DRIVE Initiative 43 is intended to establish a package processing network to support projected package growth. Currently, the Postal Service uses 389 package sorting machines and manual sorting to process packages and bundles – groups of addressed pieces secured together as a unit – for delivery. The package processing machines are the Automated Parcel and Bundle Sorters (221), Automated Package Processing Systems (74), Parcel Sorting Machines (63), and Small Package Sorting Systems (31). *Our objective was to assess the Postal Service's package processing machines' capacity to meet current and future package and bundle volume.*

What The OIG Found. The Postal Service has sufficient package processing machine capacity to meet its growing package and bundle volume through at least [redacted] when processing machines are operating at full operational performance levels (the rate and time at which a machine processes mail). However, during the peak (or holiday) season the Postal Service will need to continue to manually process excess package volume. The Postal Service's operational philosophy is that it is [redacted]. The current staffing of package processing machines and mail arrival times does not always support full operational performance levels. The Postal Service could improve package machine performance and reduce manual package sorting by adjusting machine staffing and mail arrival schedules. When package processing machines are operating at full operational performance levels the Postal Service should be able to process an average of about [redacted] packages monthly. However, based on current operational performance levels, the Postal Service processes about [redacted] packages monthly. In FY 2015, average monthly package volumes were

about [redacted] packages. Based on our projected package growth rate, we estimated that the Postal Service has sufficient package processing machine capacity through at least [redacted]. In addition, about [redacted] packages projected to be processed manually each month could be processed by package sorting machines operating at full operational performance levels. This would reduce annual manual processing costs by about [redacted] in each of the next 3 years.

What The OIG Recommended. We recommended the vice president, Network Operations, develop a plan to operate package processing machines at full operational performance levels to reduce manual mail processing and support continued package growth.

NATIONAL NEWS

The Fiscal Times: The Republican Party's 2016 platform calls for a slew of reforms targeting the federal workforce, including cuts to pay and benefits. The document, which the party finalized at the opening day of the Republican National Convention Monday, called federal employees overpaid and over-protected. The party said federal workers' compensation was "wildly out of line with the private sector." "Democrats believe that we should not be contracting, outsourcing or privatizing work that is inherently governmental in nature, including postal services, school services, and state and local government services," the draft platform stated.

The Daily Signal: The Consumer Financial Protection Bureau is inching closer to eliminating private payday lending with restrictive new rules and, some advocates hope, paving the way for the U.S. Postal Service to take over these banking services. The agency's liberal supporters, including Sen. Elizabeth Warren, D-Mass., long have wanted to replace the payday lending industry with a government-run alternative. Now, they are pushing to include language in the Democratic Party platform to add banking to the line of services provided by the U.S. Postal Service.

eCommerceBytes: Last year, Amazon told Congress that Chinese sellers can ship low-weight orders to American buyers at significantly cheaper rates than are available to domestic sellers. It cited an example: the cost to ship a one-pound package from South Carolina to New York City would run nearly \$6; from Beijing to NYC: \$3.66. Now, Americans have until Thursday to weigh in on an issue that is the root cause of that discrepancy: UPU Terminal Dues. Online sellers in particular may want to voice their opinions.

The Hill: Legislation recently approved by a House committee reforming the U.S. Postal Service (USPS) targets postal retirees to balance the Postal Service's books, and it does so in the name of bipartisan and expediency, usually good things. Not this time. Specifically, it breaks a promise made to now-retired postal workers and their survivors regarding their health benefits. It tells them they now must pay additional health insurance premiums for more, mostly duplicative, insurance coverage through Medicare or risk losing their health insurance benefits entirely. For postal retirees and survivors who are satisfied with their current coverage, that means another \$122 per month or more to keep their current health insurance. This flies in the face of fairness and changes the rules for individuals who do not have the ability to increase their income. Why is Congress forcing this additional cost on postal retirees and their

survivors? The answer is unconvincing. In the end, the postal reform bill would create significant savings for USPS through “Medicare integration,” as supporters like to call it. We call it reneging on promises and augmenting the finances of the Postal Service at the expense of its retirees. When there are a number of other paths to get the Postal Service to solvency, why choose the one that picks the pockets of its retirees? Political expediency is not a good enough answer. This bill should be rejected.

INTERNATIONAL NEWS

UNIVERSAL POSTAL UNION: *Daily Nation*: Kenya’s Bishar A Hussein, director-general of the Universal Postal Union (UPU), has launched his bid for re-election for a second term. UPU is a specialised agency of the United Nations that coordinates postal policies among member nations and the worldwide postal system.

INTERNATIONAL POSTAL CORPORATION: *Post & Parcel*: IPC has launched the IPC Pallet Box, a reusable transit packaging (RTP) system which it believes will be particularly useful for cross-border e-commerce deliveries. The IPC Pallet Box has “a very low tare weight” and is collapsible and stackable so it can be stored easily between uses. It is also equipped with radio frequency identification (RFID) technology in order to facilitate the tracking of transported items and manage the stock.

July 19, 2016

POSTAL/FEDERAL NEWS

USPS Office of the Inspector General:

- *The Social Medium of Mail* -- Browsing and posting on social media sites is a fun diversion and an easy way to keep up with friends. But have you ever considered how visiting and posting to a site helps keep it alive? Your participation is, in fact, vital for the site’s success, even if you never paid a penny to use it. People gravitate to the social media platforms that their friends, acquaintances, and favorite businesses are using. Sites rich with people and stories relevant to your life hold your attention and encourage you to post or share things. Sites lacking these essential elements won’t keep you for long; eventually you’ll leave, your friends will follow, and the advertisers and investors who basically underwrite the platform’s operating costs will flee to more popular ones. For social media sites, keeping their users happy is a critical part of their business, even though users don’t directly contribute to the bottom line. In some ways, the Postal Service is like a social media network. Certainly there are major differences, but at its core the Postal Service operates as a platform that primarily connects household users, who mostly receive the mail, to paying senders. Those birthday cards you unfailingly receive from your aunt, your favorite catalogs, and even dreaded bills generate postage fees that help keep the Postal Service in business. Our new white paper explores how digital platforms treat their users and what lessons they offer for the Postal Service at time when the use of mail is changing. We find that there are three pillars vital to platform success — a good platform experience, strong user engagement, and ensuring value for both

platform users and payers

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- **The Postal Service and Its User Base** -- User engagement, platform experience, and platform value. More than Silicon Valley buzzwords, these three pillars are the basis of success for platform-based digital companies. Consider Facebook, whose user base exceeds the population of China and which accounts for 1 in every 7 minutes spent on a mobile device. Facebook purposefully promotes strong user engagement by offering free accounts, notifications, and suggestions based on user preferences. It maintains an attractive, reliable, and updated application experience on desktop and mobile interfaces. Finally, Facebook provides real value to those that pay the bills — the advertisers — through easy-to-use ad generators, advanced targeting, and analytics. The U.S. Postal Service also serves as a platform, connecting American households and other recipients with the people that pay to reach them. The Postal Service differs from Internet companies in significant ways, but fundamentally it, too, depends on the same three pillars for revenue generation — platform experience, user engagement, and platform value. And it arguably has more at stake financially. The average annual U.S. revenue per user for Facebook is \$42. The Postal Service's average revenue per household user is \$179. Lessons learned from Internet-based companies suggest that users are one of the most important aspects of a platform's value

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Federal Register: Postal Service International Product Changes: Inbound Market Dominant Registered Service Agreement, 46974 [2016–6986] [TEXT]

INTERNATIONAL NEWS

UNITED KINGDOM: Financial Times: Royal Mail says it is keeping a close eye on economic developments in the UK as the former state-owned postal monopoly highlighted that movements in GDP are key “drivers” for the letters and business parcels market.

UNITED KINGDOM: This Is Money: Royal Mail reveals revenues inched up 1% but fortunes linked to economic growth could see it hit by a Brexit slowdown.

PHILIPPINES: Philippines Information Agency: The Philippine Postal Corporation will launch anew the postal identification card with improved features. The new postal ID has new security features and can easily be upgraded but can no longer be faked.

July 18, 2016

POSTAL/FEDERAL NEWS

U.S. Court of Appeals for the District of Columbia: The Court of Appeals has announced its decision to dismiss the USPS' appeal of the Full Service IMb remand from 2013. The USPS has asked the PRC to reconsider its decision on making such things as FS IMb implementation not part of the cap calculation.

USPS Office of the Inspector General: The Postal Service and Its User Base -- Users are an important asset to digital platform companies such as Google, Facebook, and Snapchat. The way digital platforms treat their users offers valuable lessons for the Postal Service and the postal platform: focus on the platform experience, strengthen user engagement, and maximize the value of the platform for users and payers. Read Full Report

INTERNATIONAL NEWS

ROMANIA: Romania-Insider: The Romanian Post will provide postal services for local courts until the end of this year, after winning a EUR 2.8 million contract. The contract may be extended for the first four months of 2017, reports local Profit.ro. In this case, the Post will get another EUR 1.8 million. Between May and June this year, the postal operator supplied the same services to the Ministry of Justice for EUR 1.1 million.

SINGAPORE: The Motley Fool Singapore: Singapore Post Limited has had its share of troubles over the past year. Chairman Simon Israel addressed questions about the company's future in its Annual General Meeting (AGM) held last Thursday. Israel, who took on the Chairman's role only in May this year, laid out Singapore Post's challenges. Israel said that last year's results showed that Singapore Post has a sound business. But, he also gave a warning for the future:

"Looking forward however, we need to recognise that our domestic mail business, on which we are still highly dependent, is a burning platform, subject to the forces of digital disruption."

If we follow the reasoning, it suggests that Singapore Post faces a similar choice. The mail and logistics outfit can choose to emphasize its traditional postal business ("burning platform") or it could transform itself into an eCommerce and logistics player ("uncertain freezing waters").

NIGERIA: Daily Trust: The Nigerian Postal Service (NIPOST) has said it is worried over the rising number of postal items in its custody. The country's postal service, in a statement signed by its corporate affairs manager at the weekend, said many items could not be delivered to their desired destinations in Abuja and its environs within the advertised time frame because of incorrect and insufficient addresses.

EUROPE: Post & Parcel: UPS has announced that more than two million consumers in Europe now use the UPS My Choice online service to manage their deliveries. The free service was initiated in October 2014 to provide retailers with a platform for helping online shoppers have more visibility and control over

delivery of their online purchases. Today more than 26 million consumers use UPS My Choice globally. UPS My Choice members receive an email or text message the day before a shipment arrives. If they know they won't be home, they can re-route most packages to their workplace, a neighbour's home or a nearby UPS Access Point location.

GERMANY: Post & Parcel: Amazon is reportedly considering the idea of extending its Amazon Locker network into Germany. According to a report published yesterday (14 July) by the German magazine Wirtschafts Woche, Bernd Schwenger, CEO of Amazon Logistics in Germany, said that the online retailers' employees are already testing the lockers at its German offices and logistic centres. Amazon already has lockers up and running in other European countries, including the UK and France.

UNITED KINGDOM: Post & Parcel: The 2016 edition of Triangle Management Services' 'UK Domestic B2B Express Parcels Distribution Survey' has found that B2B shippers are staying with their main domestic parcels carrier for longer. Carriers benchmarked by the survey include the major global integrators, UPS, DHL, FedEx and TNT Express, along with Royal Mail, Parcelforce Worldwide, DPD, Interlink, APC Overnight, UK Mail, Yodel and freight parcel specialists DX Freight and Tuffnells.

July 17, 2016

NATIONAL NEWS

Dead Tree Edition: A legislative reform that has arguably saved the U.S. Postal Service is increasingly coming under attack by wrong-headed postal officials and some of the postal unions. The myth these whiners are spinning is that the inflation-based rate cap on most postal rates is a horrible evil that is holding the USPS back. These cap carpers describe the recent expiration of the USPS's exigent surcharge as a moral outrage. The Postal Service, they claim, should be able to enact higher rate increases so that it can cope with the loss of mail volume to digital alternatives. But that's not how the real world works.

Wall Street Journal: A handful of startups are trying to solve one of the more vexing problems in e-commerce: how to deliver a package to a home or office that doesn't have an address. That is a constant challenge for online retailers and delivery companies in many of the fastest-growing e-commerce markets, including India, and parts of the Middle East and Africa. Rather than having a conventional street address, an office in one these regions might give its location as "200 meters south of the Pizza Hut." A home might have no identifier beyond a street name, or even just a part of town. Now, companies are competing to solve that problem with technologies ranging from mobile apps to new global maps that create a unique address for every spot on the planet, using designations that are shorter and simpler than multidigit geographical coordinates like latitude and longitude. "The only way e-commerce is going to progress [in emerging markets] is for the delivery person to know where to deliver the package," said Cathy Roberson, a logistics-industry analyst. "These companies are making it happen."

Bidness: In order to cater to the increasing online shopping demand, *United Parcel Service, Inc.* recently decided to offer delivery services even on Saturdays, starting this summer at a few locations in the US. In doing so, the company will also be able to compete with its business rivals who already offer delivery services on the weekends.

INTERNATIONAL NEWS

CANADA: **Nanonews:** The union representing postal workers says it has presented Canada Post Corporation (CPC) with new offers, and workers won't be striking before Wednesday. According to the Post its already seeing the negative impact of a potential strike, lettermail was down by 50 percent over the weekend and nearly all e-commerce customers have moved their parcels to other carriers. Changes to employee pension plans have been the key sticking point in negotiations between the two sides.

July 16, 2016

POSTAL NEWS

Federal Register: Postal Regulatory Commission,

- Market Test of Experimental Product -Customized Delivery, 46718-46719 [2016-16823] [[PDF](#)]
-
- New Postal Products, 46719 [2016-16822] [[PDF](#)]
-

July 15, 2016

POSTAL NEWS

Industry Alert: **PTR Database Issue.** The Product Tracking and Reporting (PTR) database is experiencing technical difficulty. Tracking is currently unavailable. The external and internal USPS Tracking websites, tracking API, mobile and MyUSPS apps will not return tracking results. The tracking website will present the message below. In addition, ingest of new scan data and event extracts to commercial customers will be delayed.

Industry Alert: **Update to the Publication for Streamlined Mail Acceptance for Letters and Flats. Review deadline date extended to August 15, 2016!** When the Postal Service released a draft of the Publication for Streamlined Mail Acceptance for Letters and Flats in November of 2015 we received valuable feedback from the Industry. As a result the Postal Service posted a new document for review on July 5, 2016. The publication is now separated into distinct categories:

- Mail Preparation Requirements: Referencing the appropriate section of the DMM
-
- Policies and Processes: Streamlined Mail Entry for Letters and Flats Publication

-
- User Guides/Screenshots: Guide to Streamlined Mail Entry for Letters and Flats Reporting
-
- Technical Specifications: Respective Mail.dat[®] and Mail.XML[™] Tech Specs
-

The Postal Service is extending the second comment period for the updated publication to **August 15, 2016**! Feedback should be sent to mailacceptancepub@usps.gov. The documents are posted on the PostalPro home page by scrolling down to Featured News: <http://beta.postalpro.usps.com/> The documents have also been posted on RIBBs under Intelligent Mail Service: <https://ribbs.usps.gov/index.cfm?page=intelligentmailservices>

NATIONAL NEWS

eCommerceBytes: USPS hopeful of postal reform, but hurry up and wait?

DC Velocity: In pursuit of a growing share of the lucrative pharmaceutical delivery market, U.S.-based parcel carriers are expanding their specialty services for clinical trials and drug research into a growing array of countries. Pharmaceutical firms have traditionally run their drug trials in the U.S., using strict Food and Drug Administration (FDA) regulations as a proxy for global regulatory approval, but the industry is preparing for much greater growth in international markets.

INTERNATIONAL NEWS

CANADA: CBCnews: With labour turbulence at Canada Post, Canadians are considering alternatives for getting mail and parcels across the country, and Ontario company InPost wants in on the action, saying now is the time to shake up the postal business with parcel lockers.

JERSEY: Post&Parcel: Jersey Post has announced its intention to buy the Portsmouth-based logistics company, Fraser Freight. The postal operator said that the purchase of Fraser is in line with its strategy of looking for opportunities to grow new revenue streams to fill the deficit left by the continuing volume decline in its core business.

CANADA: Medicine Hat News: The threat of a Canada Post strike seems to have played into the hands of companies wanting to force customers to sign up for online billing. A year ago the Harper Conservative government supported an NDP motion to stop banks from charging a fee to mail a paper bank statement to customers. The CRTC took on telecommunications companies for the same thing. Telecommunications companies had been charging customers for a paper invoice for a decade or more before the CRTC became involved. Everyone was being pressured into providing personal email addresses to accommodate the agenda of companies such as Telus, Bell and Rogers. Some were charging up to \$2.26 a month for a bill to be mailed. Many people do not want to sign up online either because they do not feel comfortable with a computer, are concerned about the privacy risk, or would rather not give that

information to companies. The federal government acknowledged those concerns. The threat of a postal strike was fertile ground to be exploited by some companies to force the issue once more.

KENYA: The Star: The Postal Corporation of Kenya risks fines of up to Sh500,000 million if it fails to deliver mails on time among other standards, the regulator warned yesterday after launching an Automated Mail Quality Measurement system. Radio-Frequency Identification measuring system is a technology that involves fitting of a micro chip in one of the letters in a parcel, which is then used to monitor delivery time from point of dispatch to the receiving end.

SINGAPORE: Business Times: A FRACTURED relationship between the board and management of Singapore Post contributed to last year's shock resignation of its former chief executive officer Wolfgang Baier, the group's newly elected chairman Simon Israel openly acknowledged at its packed annual general meeting (AGM) on Thursday.

July 14, 2016

GrayHair Software has two job postings: 1) [Database Developer/DBA](#) 2) [Report Writer/Analysis](#)

POSTAL NEWS

Attention Business Customer Gateway and PostalOne! Users:

- **PostalOne! Release 43.2.0.0** will deploy on Sunday, July 17, 2016 from 2:00 AM to 9:00 AM CT. This is a maintenance release and there are no release notes. The *PostalOne!* system will not be available during this time.
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- **PostalOne! Release 43.2.0.0 TEM** deployment will occur on Sunday, July 17, 2016 from 2:00 AM to 9:00 AM CT. The TEM environment will not be available during this time.
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Federal Register:

- Postal Regulatory Commission, New Postal Products, 45544-45545 [2016-16690] [[PDF](#)]
-
- Postal Service, Product Changes:
- - Priority Mail and First-Class Package Service Negotiated Service Agreement, 45545 [2016-16631] [[PDF](#)]; 45545 [2016-16633] [[PDF](#)]; 45545 [2016-16634] [[PDF](#)]
 -
 - Priority Mail Express Negotiated Service Agreement, 45545-45546 [2016-16630] [[PDF](#)]
 -

NATIONAL NEWS

Wisconsin Public Radio: Financially, the U.S. Postal Service is struggling. In its 2015 fiscal year, the agency reported a net loss of \$5.1 billion, with more losses expected. So, where does the U.S. Postal Service go from here? Winifred Gallagher, author of "How the Post Office Created America: A History," sees three possible reform options.

DeadTreeEdition: Despite what Disney movies teach us, wanting something to be true doesn't make it become true. I keep hearing and reading about the resurgence of printed magazines, often accompanied by Monty-Pythonesque "not dead yet" remarks. With CPMs for web ads continuing to droop, publishers have become downright nostalgic about good old dead-tree editions. Noting that printed books are holding their own against e-books, the magazine cheerleaders keep telling us that print is making a comeback. But that's not what the numbers say. The volume of magazines mailed annually has dropped for 15 years in a row, according to data released yesterday by the U.S. Postal Service. During those 15 years, "Outside-County" Periodicals Class volume -- by far the best proxy for total magazine volume -- has dropped 44%. That means 4 billion fewer copies were mailed in 2015 than in 2000.

INTERNATIONAL NEWS

RUSSIA: Washington Times: Anti-terror legislation recently signed by Russian President Vladimir Putin could cause shipping costs to surge and drive independent couriers out of business, a postal expert predicts. Included within a package of amendments approved by Mr. Putin last week is a measure that will require postal service providers to inspect letters and parcels for weapons, explosives and other contraband.

ISRAEL: Haaretz: Israel Freezes Postal Service to Gaza Over Alleged Weapons Smuggling

ENGLAND: LiveCharts: Postal service company UK Mail said it had made a "solid" start to the financial year and its performance for the first quarter was in line with previous expectations.

GERMANY: Wall Street Journal: The European Union's second-highest court on Thursday overturned a 2012 decision by the European Commission ordering Germany to recover up to \$1b euros (\$1.1B) from Deutsche Post AG in subsidies it paid for postal workers' pensions. **Also see Reuters.**

INDIA: India Live Today: Bottled 'Gangajal' from Rishikesh has vanished from the shelves within two days of India Post having launched the sale from its 47 head post offices throughout West Bengal. "We have seen a surprising demand for this bottled Gangajal from Rishikesh... We started selling it from Sunday and by Tuesday the stock was totally sold out," Chief Post Master General, West Bengal Circle, Arundhaty Ghosh told PTI. Union Ministers Ravi Shankar Prasad and Manoj Sinha on Sunday launched the new scheme which made easy availability of Ganga water at all post offices across the country.

ITALY: Lexology: On 8 June 2016, the Italian Competition Authority ("ICA") opened an in-depth investigation into Poste Italiane S.p.A. (the "Accused Company"), the former public postal services operator. The investigation was commenced after a complaint was filed by competing Italian company,

Nexive S.p.A. (the "Complainant"), which reported conduct allegedly amounting to an abuse of dominance in contravention of Article 102 of the Treaty on the Functioning of the European Union ("TFEU"). In particular, the Complainant states that the Accused Company, which enjoys a dominant market position, costs its services to large business users in such a way as to exclude other operators in postal services from the market.

CARIBBEAN: 7 News Belize: On last night's news, we told you about the opening of a week-long training which leading officials from the Government Post Offices all across the Caribbean are participating in. They're trying to improve the postal services in the region, but we wondered today just how relevant the postal service is at this time. Email, mobile phones and social media apps have taken over modern communication – and letters are mostly only sent by older persons who love the written word and lawyers who love paperwork. So, how does this Government Department continue to remain relevant? Well, Belize's Deputy Post Master General told us with competition that the internet brought, it also opened online shopping and E-commerce. The post offices all around the world have tapped into that market.

July 13, 2016

POSTAL NEWS

Industry Alert: USPS Shipping Information Systems - Webinar Series. IMpb Compliance Quality Metrics. Tuesday, July 19, 2016, 11AM-12PM ET. Join us as the Postal Service continues its series of informational webinars on IMpb Compliance Quality Metrics targeted for implementation January 2017. The webinars will benefit customers who ship parcels with USPS, particularly small to medium customers who ship Competitive Products – Priority Mail, Priority Mail Express, First-Class Package Service, Parcel Select, and Parcel Select Lightweight. The next webinar scheduled in the series is: **IMpb Compliance Recap Pre-Release**.

Speakers: Juliaann Hess, Mgr. Mail and Package Information Systems & Heather Dyer, Business Process Specialist, Principal

Registration required. Instructions for participating in the webinar appear below:

Attendee Information: US/Canada Attendee Dial-in: (866) 381-9870 Conference ID: 78736021

To register and add webinar to your calendar click here: Attendee Direct

URL: <https://usps.webex.com/usps/onstage/g.php?MTID=e969322cc2896fa16fea965d27cb788d1>

If you cannot join using the direct link above, please use the alternate logins: Alternate

URL: <https://usps.webex.com> Event Number: 998 678 182

Oversight Committee passes bipartisan postal reform legislation. Today, the House Committee on Oversight and Government Reform overwhelmingly passed two bipartisan bills to overhaul the U.S. Postal Service.

[H.R. 5714](#), the Postal Service Reform Act, which was cosponsored by Chairman Jason Chaffetz (R-UT), Ranking Member Elijah E. Cummings (D-MD), Reps. Mark Meadows (R-NC), Stephen F. Lynch (D-MA), and Gerry Connolly (D-VA), would enhance revenue, improve efficiency, integrate Medicare, and streamline governance and oversight of the Postal Service.

[H.R. 5707](#), the Postal Service Financial Improvement Act of 2016, which was cosponsored by Reps. Lynch and David McKinley (R-WV), would authorize the Secretary of the Treasury to invest a limited amount of the Retiree Health Benefits Fund in market-based index funds and establish a Postal Service Retiree Health Benefits Fund Investment Committee to help advise the Treasury Secretary on investments made from the Fund.

Chairman Chaffetz: “This bill reflects how working in a bipartisan, collaborative manner can bring about much needed reform. The outlook for the Postal Service is grim without the improvements contained in this bill. I hope the legislation sees quick action by the full House so the Postal Service can be one step closer to a viable, solvent future.”

Ranking Member Cummings: “This bill is the product of intense negotiations that have been ongoing for months, and it is the culmination of broader efforts that have been underway for years. I’m pleased that my colleagues and I were able to craft a bipartisan bill we can all support that will place the Postal Service on sustainable financial footing.”

Rep. Mark Meadows: “The members on this Committee have poured countless hours into the negotiations behind these much needed reforms, and I am pleased to see the final result. The reforms included in this bill will be critical in placing the Postal Service back on a sound financial path and in avoiding an almost inevitable taxpayer bailout of the Postal Service due to insurmountable debt. I want to thank my colleagues, Chairman Chaffetz and Ranking Member Cummings, for their leadership on this important issue.”

Rep. Stephen Lynch: “We have a unique opportunity to put the Postal Service on a path to a more stable financial footing and ensure a secure future for postal employees, the mailing community, and the American people who depend on this trusted government institution. It is critical to act now and make commonsense reforms if we want the Postal Service to continue to meet its universal service obligation and be able to pay its bills next year. I thank my colleagues Chairman Chaffetz, Ranking Member Cummings, Rep. Meadows, and Rep. Connolly for their bipartisan compromise and cooperation on this important reform package.”

Rep. Gerry Connolly: “The Postal Service is in dire financial shape as a result of past congressional action that has stifled its innovation and flexibility. Without these reforms, this iconic American institution would continue its downward spiral to insolvency. Our bipartisan legislation represents a delicate balance in which all parties have had to compromise, and it puts the Postal Service on more stable footing so that it remains relevant and viable in the 21st century.”

Rep. David McKinley: “America’s postal workers deserve the comfort of knowing their future health benefits are not in jeopardy. This important legislation will provide the Treasury Department with the flexibility to keep the Postal Service Retiree Health Benefits Fund (RHBF) strong, so these workers can get the health care coverage they earned for their retirement.

Federal Register: Postal Regulatory Commission, New Postal Products, 45314 [2016-16457] [\[PDF\]](#), 45314-45315 [2016-16545] [\[PDF\]](#)

NATIONAL NEWS

Chicago Tribune: Xerox, which plans to separate into two companies by the end of the year, is in talks to acquire R.R. Donnelley & Sons, people with knowledge of the matter said. Xerox Corp. would acquire R.R. Donnelley Co., founded in 1864 and based in Chicago, and merge some of it with its copier, printer and related-services business and the rest with its smaller business process outsourcing services, said the people, who asked not to be identified because the negotiations are private. The talks are at an early stage, one of the people said. A deal could be announced before Xerox's split is completed, another person said. R.R. Donnelley jumped as much as 12 percent in afterhours trading, while Xerox climbed as much as 3.2 percent.

Senator Carper Commends House Committee for Advancing Bipartisan Bill to Reform U.S. Postal Service. *Ranking Member Calls on Colleagues in Both Chambers to Work Together to Restore Americans’ Trust in the Postal Service.* WASHINGTON – U.S. Senator Tom Carper (D-Del.), top Democrat on the Senate Homeland Security and Governmental Affairs Committee, released the following statement today applauding the House Committee on Oversight and Government Reform for advancing bipartisan legislation to make much-needed reforms to the U.S. Postal Service (USPS). In September 2015, Senator Carper introduced the bipartisan Improving Postal Operations, Service, and Transparency Act of 2015 (S.2051) or “[iPOST](#).”

“Today’s House Oversight and Government Reform Committee passage of postal reform legislation is real progress in our fight to stabilize the Postal Service and give this 200-year-old American institution the tools and resources it needs not only to return to solvency, but also to thrive in the 21st century. Advancing this bipartisan bill out of committee unanimously today is a significant step forward, and I want to applaud Chairman Chaffetz, Ranking Member Cummings, and Congressmen Meadows, Connolly, and Lynch for their continued efforts on this important issue and their commitment to finding a real solution to the Postal Service’s dire financial situation.

“Reliable service is at the core of what the Postal Service does every day. Unfortunately, too many postal customers have seen service erode in recent years as the Postal Service has been forced to significantly cut costs to keep its head above water. The American people deserve to know that they will get their mail on time, and we in Congress have a responsibility to ensure that the Postal Service has the ability to reach communities across the country in a timely manner. I am committed to continuing to work with the

House sponsors to address the critical service problems that for many have only seemed to spiral further out of control. We must restore the public's trust in the Postal Service and ensure that all consumers, regardless of their zip code, are receiving the fast, affordable, and dependable service they rely on. As this bill makes its way to the House floor and over to the Senate, I look forward to finding consensus on the critical issue of service performance as well as other measures that are needed to bring financial stability back to the Postal Service.”

Bloomberg Law: Tapping into the surging growth in online shopping, a single company has sued over 150 companies in the past year, mostly over a popular e-commerce feature: the ability to click a link and track packages during shipping. Shipping and Transit LLC, which is based in Florida, owns patents related to monitoring vehicles' movement. It has filed infringement lawsuits against such popular electronic commerce businesses as Edible Arrangements LLC, Wayfair LLC and Shutterfly Inc., as well as against conventional businesses that offer online ordering as part of their enterprises, including Acer Inc., Lifetime Brands Inc. and Arhaus LLC. Absent from the list of alleged infringers are e-commerce giant Amazon.com Inc. and online electronics retailer Newegg Inc.

INTERNATIONAL NEWS

CANADA: **Huffington Post Canada**: The lobby group representing Canada's big banks says there's no need for Canada Post to expand onto their turf because Canadians already have an abundant choice of financial services. The Canadian Bankers Association says there is "no public policy objective or existing gap in the marketplace" that would warrant a Crown corporation becoming a retail bank.

KENYA: **MediaMax**: Postal Corporation of Kenya whose fortunes have been affected by the emergence of new information communication technology has automated its mailing services in a bid to net in tech savvy Kenyans. The once reliable mailing service in conjunction with Communication Authority of Kenya – CA- today launched radio frequency identification that will enable CA to independently determine and verify the quality of service offered to consumers for public postal services.

July 12, 2016

POSTAL NEWS

House Committee on Oversight and Government Reform passed **two postal bills** out of committee today.

- **NALC statement** on House Postal Service Reform Act of 2016
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- **AF&PA statement** on Mark Up of House Postal Service Reform Act
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ATTENTION BUSINESS CUSTOMER GATEWAY AND EVS USERS: We are experiencing a problem with our data transfer servers that control data flow between USPS and our customers. The problem is causing intermittent EDI connectivity issues for some customers that could prompt retries on customer systems. We have not experienced a complete outage; however performance has degraded and we are proactively taking actions to mitigate. As a result, we will be recycling the impacted servers within the next hour and anticipate a brief outage for some customers of 30 – 60 minutes on the ingest and extract of files. We regret any inconvenience and will notify you when the issue is resolved. Thank you for your business and support.

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

- Alternate Postage. We revised [604.5.5](#) to state that mailers no longer have to have a signed marketing agreement nor do they have to have unique Intelligent Mail® barcodes. We published this information in the June 9, 2016, *Postal Bulletin*.
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- Destination Network Distribution Center Price Eligibility. We revised various sections of the DMM to clarify that mail prepared under labeling list [L601](#) for offshore ZIP Code™ destination ranges 006-009, 967- 969, and 995-999, is not eligible for Destination Network Distribution Center (DNDC) discount prices. We published this information in the June 9, 2016, *Postal Bulletin*.
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- Full-Service Automation Option -Annual Permit Fee Renewal. We revised [705.23.0](#) to modify the annual fee renewal date process. We published this information in the June 9, 2016, *Postal Bulletin*.
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- Business Reply Mail®-Mailer ID Based Intelligent Mail Barcode. We revised [505.1.5](#) to add a barcode option allowing Business Reply Mail® (BRM) customers sharing a BRM 9-digit ZIP Code® the ability to trace the mail separately using a Mailer ID (MID) based Intelligent Mail barcode (IMb®). We published this information in the May 26, 2016, *Postal Bulletin*.
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- Our next scheduled DMM update is October 3, 2016.
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NATIONAL NEWS

Linn's Stamps News: Prospects for congressional approval of major postal reform legislation have sharply increased with the approval of a bill that would boost stamp prices and require postal retirees to depend on Medicare for most medical expenses. The action by the House Oversight Committee on July 12 does not assure enactment of the measure, but it appeared to end any suggestion that the postmaster general would once again become a presidential appointee. The committee dropped that idea, part of an earlier draft, out of what one Capitol Hill staffer told *Linn's* was "concern that it would have over politicized the Postal Service."

Federal News Radio: If your mailman seems particularly cheerful today, it's because more than 200,000 employees of the U.S. Postal Service began this week with a slew of new benefits. The American Postal Workers Union concluded a two-year contract negotiation, securing pay raises, cost of living adjustments, job security commitments and more for its members. "We, as a union, should be proud of the results," APWU President Mark Dimondstein said. "We made some real progress on most of our major goals." Career employees covered by the union will receive a 3.8 percent pay increase in three installments before 2018. The first installment of 1.2 percent is retroactive, effective Nov. 14, 2015, and the next two installments of 1.3 percent each will come in November 2016 and 2017. Career employees will also maintain their current COLA formula.

Americans for Tax Reform: Today the House Oversight and Government Reform Committee will markup the Postal Service Reform Act of 2016, proposed by Committee Chairman Jason Chaffetz (R-Utah) and the committee's Ranking Member Elijah Cummings (D-Md.). While the U.S. Postal Service (USPS) is in dire need of reform, given that it has posted consecutive billion dollar losses annually since 2007 and is facing \$125 in unfunded liabilities, a number of provisions in the Postal Service Reform Act (the Act) are cause for concern.

Post&Parcel: The US House of Representatives' Oversight and Government Reform Committee is today (12 July) marking up the Postal Service Reform Act [HR 5714]. The stated aim of the bill is: "To restore the financial solvency and improve the governance of the United States Postal Service in order to ensure the efficient and affordable nationwide delivery of mail, and for other purposes." The bill has been introduced by a bipartisan group of Representatives sitting on the Oversight Committee. The Chairman Jason Chaffetz is joined by Ranking Member Elijah E. Cummings, as well Mark Meadows, Gerry Connolly, and Stephen F. Lynch.

Daily News: Like the Cheshire Cat in Alice in Wonderland, postal reform in Congress seems to be fading fast with each new iteration. The latest version—put together by a bipartisan group of House lawmakers led by Rep. Jason Chaffetz, R-Utah, is the faintest yet. The bill, set to be marked up by the House Oversight Committee today falls far short of what it needed to resolve the critical threats faced by the Postal Service—or the taxpayers who implicitly back it up.

Postalnews: Two Postal Service executives received new appointments last week. Gregory Crabb was named acting chief information security officer and Digital Solutions vice president. Greg G. Graves was appointed Western Area vice president, a position he has held on an acting basis since February.

Government Executive: A union representing 200,000 U.S. Postal Service employees reached a new, 40-month contract with the agency through an arbitrator on Friday, with covered career workers winning a 3.8 percent pay increase over the course of the agreement. Arbitrator Stephen Goldberg issued the contract after the American Postal Workers Union and USPS came to an impasse on negotiations last year. The union won a series of new rights and benefits for non-career workers, and protected the

benefits of regular, full-time employees the Postal Service had previously threatened. The contract is retroactive to May 21 and will last through Sept. 20, 2018.

Business Wire: [Kinetica](#), the leading provider of analytical in-memory databases powered by graphics processing units (GPUs), today announced that its [success with the United States Postal Service \(USPS\)](#) earned the world's largest logistics organization recognition as a 2016 winner of International Data Corporation (IDC)'s [HPC Innovation Excellence Awards](#). USPS has deployed Kinetica to optimize the operations of its several-hundred-thousand vehicles and employees, using visualizations and analytics of real-time data to efficiently deliver goods to the more than 154 million addresses across the United States.

Forbes: The federal government's losing case against FedEx and a related settlement with UPS show that it holds the private sector to a higher standard than its own agencies, like the U.S. Postal Service, a free market advocate says. Cory Andrews, senior litigation counsel at the Washington Legal Foundation, says it should be the other way around, though legal experts agree that the federal government is highly unlikely to pursue the U.S. Postal Service for its possible role in transporting illegal prescription drugs, as it did with FedEx and UPS.

INTERNATIONAL NEWS

CANADA: Post&Parcel: As the talks between Canada Post and the Canadian Union of Postal Workers (CUPW) continue, the post operator announced on Sunday (10 July) that it had withdrawn its 72-hour notice. "As a result," added Canada Post, "there will not be a lockout, which will allow both parties to focus their efforts on serious negotiations."

CANADA: Internet Retailer: Canada Post says uncertainty about a possible work stoppage has led to an 80% year-over-year drop in e-commerce shipments from retailers. Online orders shipped to Canada via the Canada Post Corp. will continue to be delivered—for now. [Canada Post](#) and the Canadian Union of Postal Workers on Friday agreed to a 30-day extension of contract negotiations, putting on hold a threatened work stoppage. The parties have been negotiating a contract since December. The agreement to extend follows Canada Post's July 5 notification to the union that it would lock out the union's 50,000 mail carriers.

CHINA: Yahoo! Finance: China Post Group, China's state-owned postal service provider, and Lazada Group, the leading online shopping and selling destination in Southeast Asia, have signed a strategic agreement to enhance cross-border logistics solutions for Chinese sellers on the Lazada platform.

July 11, 2016

POSTAL NEWS

The **House Committee** on Oversight and Government Reform will hold its business meeting tomorrow at 2pm. On the agenda is the mark-up for the **Postal Service Reform Act of 2016**. The Committee leadership also sent out a **memo** discussing the bill.

ATTENTION BUSINESS CUSTOMER GATEWAY AND POSTALONE! USERS: As a reminder, the Mailing Industry is encouraged to review and provide feedback on the updated *Publication for Streamlined Mail Acceptance for Letters and Flats* and the *Guide to Streamlined Mail Entry for Letters and Flats Reporting* no later than July 31, 2016. Feedback should be sent to mailacceptancepub@usps.gov. Streamlined Mail Acceptance for Letters and The documents are posted on the PostalPro home page by scrolling down to Featured News: <http://beta.postalpro.usps.com/>. The documents have also been posted on RIBBs under Intelligent Mail Service: <https://ribbs.usps.gov/index.cfm?page=intelligentmailservices>.

INDUSTRY ALERT: USPS continues to monitor possible strike in Canada. The U.S. Postal Service continues to monitor a possible work disruption affecting Canada Post. On July 10, Canada Post announced negotiations are continuing with Canada Union of Postal Workers (CUPW). The Postal Service will continue to process and accept all mail to and from Canada. If a full strike or work stoppage occurs, the Postal Service will continue to offer customers the option of using Global Express Guaranteed (GXG) service for delivery of documents and merchandise in Canada, with transportation and delivery by FedEx. Additional information and updates about mail service to Canada are available on the Postal Service's *International Service Alerts page*.

USPS OFFICE OF INSPECTOR GENERAL:

- **Approved Shipper Approval.** If you want to expand your business by partnering with someone to sell your products or services in another location, you'd want that person to represent you appropriately and abide by your practices, right? In short, you'd want your partner to uphold your brand. The U.S. Postal Service isn't any different. Through its Approved Shipper Program (ASP), the Postal Service has partnered with commercial businesses like Office Depot and Staples to offer USPS mailing products and services in their stores. As a result, you can buy postage and send letters and packages at more than 7,800 places around the country in addition to the nation's 31,000-plus post offices. Some of the significant benefits the ASP has provided to consumers include shorter wait times along with more convenient hours and locations. But how well are approved shippers representing or upholding the Postal Service's brand? Our auditors recently looked at two specific areas – whether approved shippers charge the correct postage when accepting Postal Service mail, and if the level of their customer service is acceptable. Not always, we found. For instance, approved shippers must charge at least the USPS rate for packages, but we found at 34 of 90 locations tested, clerks incorrectly charged lower postage for flat rate boxes. Also, the ASP requires approved shippers to ask security questions when accepting mail, but at 90 of 125 locations visited, clerks were willing to accept packages with hazardous materials, such as cologne, lighters, and aerosol sprays. And at eight of nine locations evaluated for certified mail services, clerks did not complete the required certified mail form correctly, and four of the nine did

not enter the tracking number in their system. In our [new report](#), we made several recommendations, notably that Postal Service management update its approved shipper license agreements to include provisions for collecting lost revenue and also test ASP clerks' knowledge of Postal Service products and services as well as USPS requirements for mailing hazardous materials. Have you sent or shipped anything with the Postal Service through one of its approved shippers? What could the Postal Service do to improve performance by approved shippers?

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- **Blockchain Technology: Possibilities for the U.S. Postal Service.** At its core, blockchain technology is a way to transfer any kind of data or information in a fast, tracked, and secure way without the need for an intermediary institution. Initially developed to allow peers to directly exchange digital currency faster and at lower cost, blockchain is now yielding a variety of promising new solutions beyond financial services. It is difficult to understand the full potential of these new applications at this formative stage, but they include property transfers, the execution of contracts, authentication services, device management, and records management. Despite their novelty, these applications are beginning to gain traction with major companies and government entities, from Citibank and JPMorgan Chase to the Estonian government and Australia Post. These organizations are researching or experimenting with blockchain technology in order to keep better records and provide new and more efficient services. The U.S. Postal Service Office of Inspector General contracted with Swiss Economics in order to better understand blockchain technology's features and capabilities, as well as identify potential areas of interest for the Postal Service. One major area is financial services. The Postal Service could use blockchain technology to improve the back-end of its financial products, such as international money transfers and money orders. A blockchain-based financial platform could digitize and streamline the services, making them faster and cheaper for both the Postal Service and its customers. In the long-term, blockchain technology could also be useful to the Postal Service in other areas such as identity services, supply chain management, and device management. This paper takes an exploratory look at the technology and suggests that it may be wise for the Postal Service to explore and possibly experiment with blockchain technology in order to gain a better understanding of its potential impacts. The Postal Service could begin experimenting with financial applications and then naturally expand into other applications enabled by the technology. *Read full report.*
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INDUSTRY ALERT: UPDATE: Detroit P&DC Power Restored. The Detroit P&DC's power has been restored and is fully operational as of this morning.

INDUSTRY ALERT: NEW Service Type IDs (STIDs) for Alternate Postage aka Share Mail. "Share Mail" Alternate Postage is an electronic postage payment mechanism for single-piece First-Class Mail® letters or postcards, addressed to any domestic address, that weigh no more than one ounce each. Alternate Postage has proven to be a viable option for senders to share information with numerous receivers. More information about Alternate Postage services is available in the Domestic Mail Manual section 604.5.5 — Alternate Postage. The Table of Service Type IDentifiers listing the newly assigned STIDs for use in the Intelligent Mail barcode on Share Mail can be found at: <https://ribbs.usps.gov/stids>.

USPS and APWU reach 40-month agreement.

NATIONAL NEWS

Idealliance: Idealliance reports that a serious communications gap exists between the U.S. Postal Service and its customers and supply chain partners, according to results of its Annual USPS Customer Systems & Services Survey of industry views about the U.S. Postal Service, released today. The primary objective of the Survey was to provide feedback on USPS customer-facing systems and services and help the USPS focus the priorities for its information technology programs; however, the key and unintended result from the Survey was that over 50% of the respondents underlined the need to “improve the communications and partnership with the USPS.” In a significant survey finding, 51% of respondents said they sought help from the USPS to improve the USPS-Industry relationship, communications and partnership, and health of the mail supply chain, but only half of respondents considered the USPS “a quality business partner.” Moreover, 62% of respondents disagreed with the statement that “the USPS has a good understanding of how their systems are used on a daily basis by business mailers.” Another 58% disagreed that “the USPS does an outstanding job of communicating functionality of changes and enhancements to existing USPS program systems.” Most respondents also disagreed with statements about the USPS “understanding industry business requirements,” the stability of USPS computer systems, and the Postal Service’s alignment of “documentation with actual USPS system behavior.”

Wall Street Journal: Every magazine publisher wants to be digital first—until the problems show up. As postings on Facebook and Twitter attest, some Condé Nast subscribers are unable to access their account information and digital editions for publications including the New Yorker, Wired and Vanity Fair. Callers to a 1-800 number for Condé Nast hear a recorded message that explains “we are currently experiencing technical issues and customers may not be able to access their digital editions or account information. Please continue checking online to know when the problem is fixed.” A customer service representative said she believed the problem started on Sunday. A spokeswoman for Condé Nast said only customers who purchased their digital subscriptions directly from Condé Nast, the magazine arm of closely held Advance Publications Inc., are impacted. A spokesman for Condé Nast estimated only 2% of digital subscribers are affected.

Washington Times: Congress timid on postal reform.

Reason.com: Making a profit by selling goods and services that consumers want to buy at given prices is the first goal of any business. If consumers aren't interested and the business doesn't adapt, it will go under. That's unless you are the U.S. Postal Service. The Postal Service is a major business enterprise operated by the federal government. Thanks to Congress, it has something many business owners would love to have— protection from competition. Its monopoly on access to mailboxes and the delivery of first-class and standard mail means it doesn't have to worry about someone offering a better service at a lower price. But that's not all. In a new Cato Institute study, Chris Edwards explains that unlike private businesses, the Postal Service has access to low-rate loans from the Department of the Treasury,

effectively pays no income or property taxes, is exempt from local zoning rules and even has the power of eminent domain.

Credit Union Times: Dems call for Dodd-Frank expansion, USPS banking.

Roll Call: There's really no way to avoid the public relations fiasco confronting Congress starting Friday, when its longest summer break in more than three decades will begin with hardly anything accomplished to ward off a "do-nothing" label for the summer. The final fortnight before the August recess customarily guarantees a whirlwind of deal-making on the major issues of the session, especially before the peak of campaign season. But nothing to really write home about, let alone claim for the history books, is on tap now. Instead the members will have to take cold comfort in the realization that they're on track, maybe even a little ahead of schedule, to match their constituents' exceedingly low expectations for this presidential year.

INTERNATIONAL NEWS

CANADA: iPolitics: Canada Post and the Canadian Union of Postal Workers are back at the bargaining table. Labour Minister MaryAnn Mihychuk issued a statement Sunday saying she's pleased to see there's been "movement at the bargaining table." Talks have been deadlocked on the issues of employee pension plans and wage parity. Canada Post served a lockout notice last week and will be in a legal position to lock out the 50,000 unionized workers starting Monday at 12:01 a.m. Eastern Time.

CANADA: Yahoo! Finance: Earlier today, the Minister of Employment, Workforce Development and Labour, MaryAnn Mihychuk, encouraged both Canada Post and the Canadian Union of Postal Workers to continue their discussions beyond the lockout notice. Accordingly the Corporation has withdrawn its 72-hour notice. As a result, there will not be a lockout, which will allow both parties to focus their efforts on serious negotiations. We are also expecting the union to honour their repeated public statements that they have no plans to issue a strike notice. Assurance from both parties that the postal system will remain open for business while we negotiate will provide the certainty that Canadians and our employees are looking for.

ISRAEL: The Jewish Press: The Knesset has passed a law requiring postal authorities to provide the details of the sender to a recipient of a registered letter or package before signing for the item.

July 10, 2016

INTERNATIONAL NEWS

IRELAND: Independent: An Post is in talks with a number of international postal services around the world about licensing a proprietary software as a service (SaaS) platform which it has developed. The

self-service platform helps companies target potential customers with direct mailshots that have been created in the cloud.

July 9, 2016

POSTAL/FEDERAL NEWS

Federal Register: Postal Regulatory Commission: New Postal Products, 44902 [2016-16233] [[PDF](#)]

NATIONAL NEWS

FederalNewsRadio: Imagine opening an email with images of everything coming through your mailbox for the day. You're getting a catalog with a coupon: "25% off your total purchase at Bloomingdale's." You click the image, where it takes you straight to the store's website to do some online shopping. This is Informed Delivery, a new pilot program launched by the U.S. Postal service to keep customers up-to-date with parcels coming to their homes while they're away or at work. The program, which is running betas in both New York City and the Northern Virginia area, was pioneered by Gary Reblin, vice president for new products and innovation. Reblin wants to help make Americans more aware of what mail comes to their door every day.

DeadTreeEdition: The U.S. Postal Service wants to expand and extend its test of same-day grocery deliveries but isn't ready yet to take the venture nationwide. The agency asked the Postal Regulatory Commission on Friday to extend the two-year test for another year, to October 31, 2017, and for permission to enter new markets. The venture serves select ZIP codes in the New York, Los Angeles, San Diego, Sacramento, Stamford (CT), and Las Vegas areas -- mostly in partnership with Amazon's "AmazonFresh" service.

INTERNATIONAL NEWS

CANADA: ***iPolitics:*** Postal workers are fighting a war they can't win. A victory for Canada Post could erode pension standards throughout the public sector.

July 8, 2016



PostCom Members !! The latest issue of the ***PostCom Bulletin*** is now available online. Hey! You've not been getting the weekly PostCom Bulletin--the best postal newsletter anywhere...bar none? ***Send us by email*** your name, company, company title, postal and email address. See what you've been missing.



Smithsonian

National Postal Museum

Smithsonian Institution National Postal Museum: The

National Postal Museum's America's Mailing Industry Project will launch its website on September 13. The Museum will be hosting a special thank-you/celebration event the evening of September 13 to thank everyone who helped us with this important project. Please mark your calendars.

POSTAL/FEDERAL NEWS

USPS Industry Alert: UPDATE: Detroit Plant Power Outage. The Detroit P&DC is still being powered with generators. However, it now has the capability to accept drop shipments at this time. All drop shipments should be redirected back to the Detroit P&DC.

Federal Register: Postal Service Priority Mail Negotiated Service Agreement, 44671 [2016–16161]
[TEXT] 44671 [2016–16162] **[TEXT]**

NATIONAL NEWS

Government Executive: The House late Wednesday blocked a measure to require the U.S. Postal Service to revert back to the delivery standards it maintained before 2012, which the mailing agency said would have cost it \$1.5 billion annually. A committee had unanimously approved an amendment to a spending bill last month to require the Postal Service to deliver mail more quickly, but Rep. Jason Chaffetz, R-Utah -- who recently introduced a more comprehensive measure to put USPS on a path toward financial solvency -- used a legislative tactic known as a "point of order" to block the measure. Chaffetz argued the postal provision held no relevancy to an appropriations bill, and in a mostly party-line vote the Republican House majority concurred. Postal management has deplored the effort to bring back the previous delivery standards, saying it would cost the agency \$1.5 billion annually and \$500 million in one-time costs. Sarah Ninivaggi, a USPS spokeswoman, said the measure was "financially and operationally indefensible." "The Postal Service simply cannot afford costly, legislatively mandated inefficiencies that undermine our viability as a self-funding entity," she said.

Postalnews.com: The US Postal Service announced earlier today that Detroit's George W. Young Processing and Distribution Center at 1401 W. Fort St. in Detroit was without power. The USPS issued an update at 4:45 PM EDT stating that the plant was operating at reduced capacity using generators. It also reported that **power might not be restored until Monday.**

The New York Times: Lack of modernization and continued inefficiency opened the door for private express carriers. When the Postal Service argued that such companies infringed on its monopoly over letter delivery, lobbyists fought back, and legislators proved receptive, eroding the service's dominance in commerce and business. Experiments with computerized mail delivery, a postal email service and methods to help customers pay bills online were all slapped down by powerful opposition from private stakeholders and Congress. In 2006, Congress hemmed in the Postal Service's mandate to its core mission: delivering letters, packages and printed matter, constraining its ability to innovate in a digital age.

In many European countries, by contrast, national postal systems have so far weathered the internet revolution by innovating and offering digital services. And Congress dealt the Postal Service another blow by forcing it to prepay its future retiree health care costs at the hefty price of \$5.5 billion a year for 10 years, deepening its woes. Is the Postal Service, once at the cutting edge of a communications revolution, doomed to become either a quaint relic of the past or a de facto subsidiary of Amazon? The answer depends upon the public and Congress's willingness to reorient policy.

Yahoo! Finance: FedEx Office, a world-class commercial print provider, has enhanced its copier and printer fleets with the rollout of more than 1,800 Canon imagePRESS C700 color digital press and over 1,400 HP DesignJet T3500 large format printers to FedEx Office stores. The new color devices offer an expanded portfolio of printing solutions designed for speed and flexibility, providing customers with outstanding color quality and enhanced printing capabilities. These new large format printers and digital presses allow customers to produce full color large-format engineering and construction documents. The rollout marks the latest move by FedEx Office to leverage its industry-leading technology to provide a professional printing experience for its small and large business and consumer customers. ***According to a recent survey, 99 percent of U.S. marketing executives in the past 12 months have used printed marketing materials including direct mail, brochures and signs, illustrating that, regardless of industry, print continues to be a critical resource for small and large businesses.***

INTERNATIONAL NEWS

CANADA: **CKNW:** It appears your mail will continue to be delivered for the next few weeks, at least. Canada Post says it has agreed to a request from the Canadian Union of Postal Employees for a 30-day "cooling off period" so that talks between the two sides could continue without the threat of a lock out or strike. But in a statement out Friday afternoon, the Crown Corporation indicates if they are not able to conclude negotiations successfully during that time, then both parties must agree to binding arbitration.

CANADA: **Newstalk 1010:** Canada Post's union is calling for a 30-day truce to allow the two sides to negotiate a new contract without a strike or lockout.

July 7, 2016

POSTAL/FEDERAL NEWS

USPS Industry Alert: The Detroit P&DC is operating in a reduced capacity using generators. This condition could persist through Monday, July 11. The redirection of drop shipments should continue until then.

USPS Industry Alert: **Update: USPS Monitors Possible Strike in Canada.** The Postal Service™ is continuing to monitor a possible strike or work stoppage affecting Canada Post. On Wednesday, July 6, Canada Post extended the current 72-hour notice period to Monday, July 11 at 12:01 am; at which time Canada Post can decide to shut down completely or partially. The potential shutdown could involve

service delays for U.S. shipments to Canada of First-Class Mail International® service, First-Class Package International Service®, International Priority Airmail® service, International Surface Air Lift® service, Priority Mail International® service, and Priority Mail Express International® service. Until further notice, USPS will continue to process and accept all classes of mail to and from Canada. In the event of a full nationwide work stoppage in Canada, USPS will continue to offer customers the option of using Global Express Guaranteed® (GXG®) service for delivery of documents and merchandise in Canada, with transportation and delivery by FedEx. GXG service is available online and at thousands of participating retail locations throughout the United States.

Federal Register: Postal Regulatory Commission New Postal Products , 44337 [2016–16089] [[TEXT](#)]

NATIONAL NEWS

The Washington Post: Pressures on the Postal Service are still mounting, and remedies are elusive. Among its constraints, the service is saddled with enormous pension costs, and Congress has balked at permitting the service to enact cost-saving measures, such as closing small post offices or cutting back to five-day delivery. Both Leonard and Gallagher have given us engaging, well-written histories of this troubled behemoth. Gallagher points out that between the early 1980s and 2007, the USPS supported itself without any tax dollars, “an achievement that would have impressed Benjamin Franklin and every postmaster general since.” The core question is whether, given the challenge of digital technology and inept oversight by Congress, it will ever be able to do so again.

INTERNATIONAL NEWS

CANADA: ***AM980:*** The Canadian Union of Postal Workers has rejected an offer from Canada Post to undergo binding arbitration for its labour dispute.

CANADA: ***Financial Post:*** Courier companies say they’re seeing an increase in volume as a possible work stoppage looms at Canada Post. UPS Canada has hired approximately 300 new staff across the country and says it is already seeing a sharp increase in business volume as Canada Post and the Canadian Union of Postal Workers negotiate a new contract.

CANADA: ***Canada NewsWire:*** On Wednesday, July 6, 2016, the Minister of Employment, Workforce Development and Labour, MaryAnn Mihychuk, asked both Canada Post and the Canadian Union of Postal Workers (CUPW-Urban and CUPW-RSMC) to submit to binding arbitration to resolve the current impasse at negotiations. Canada Post agreed to voluntarily submit to binding arbitration as an opportunity for both parties to reach an acceptable resolution. While negotiated settlements are always the preferred option, it has become clear that after seven months of negotiations, the parties remain far apart on key issues at the bargaining table. The uncertainty caused by the prolonged negotiations is having a severe impact on the business, our employees and our customers.

NEW ZEALAND: Postal Technology International: New Zealand Post and its courier service CourierPost have launched an improved range of delivery options to help increase the success rate of first-time deliveries. The new options include Parcel Leave, where a package can be left in an agreed place at a customer's address, even if they're not at home to sign for it; and Parcel Redirect, enabling deliveries to be redirected to a number of New Zealand Post retailers and CourierPost depots, as well as a growing list of participating Countdown supermarkets and Z service stations. Parcels can currently be redirected to 11 Countdown stores in Auckland and six Z stations in Wellington. Over the next month, parcel collection locations will be extended to include an additional 27 Countdown stores in Auckland, Hamilton, Tauranga, Wellington, Christchurch and Dunedin.

GERMANY: Postal Technology International: DHL Parcel in Germany has expanded the coverage of its time-window delivery service to cover the whole of the country, including customers located in rural areas such as Emsland and Spessart. The service helps increase convenience for online shoppers by providing a two-hour delivery window in the evening between the hours of 6:00pm and 9:00pm.

SINGAPORE: Postal Technology International: Singapore Post (SingPost) has released the findings of its Corporate Governance Review and now plans to adopt the majority of its recommendations over the next three months.

July 6, 2016

POSTAL/FEDERAL NEWS

Postal Regulatory Commission:

- Narrative Explanation of Econometric Demand Equations for Market Dominant Products as of November, 2015
<http://www.prc.gov/docs/96/96556/FY15.MD.Prod.Demand.Narrative.pdf>
http://www.prc.gov/docs/96/96556/Letter_EconoDemandEq_FY2_20160706151851.pdf
-
- Summary Description of USPS Development of Costs by Segment and Components, Fiscal Year 2015
http://www.prc.gov/docs/96/96555/Letter_EconoDemandEq_FY2_20160706151851.pdf
<http://www.prc.gov/docs/96/96555/SUMDES15.zip>
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Rep. Susan Davis: Congresswoman Susan Davis (D-San Diego) is leading a bipartisan effort in Congress to ensure that door delivery continues to be a cornerstone of the postal process. As Congress considers postal reform legislation, Davis called on those crafting the reform proposal to keep door delivery, a key service for both residential and business customers. "Proposals to reduce door delivery are not good for postal customers, businesses or the Postal Service in the long run," said Rep. Davis. "My

constituents who are forced to use cluster boxes report all kinds of problems with them. My constituents with door delivery are very vocal about wanting to keep this critical service. Ending door delivery would hit seniors and people with disabilities especially hard.” In a letter to the House Committee on Oversight and Government reform, Davis and Reps. Peter King (R-NY) and David Jolly (R-FL) highlighted the strong bipartisan support for maintaining door delivery. They are the lead sponsors of the bipartisan H. Res. 28, which has 200 cosponsors, urging the continuation of door delivery. The cosponsors come from urban, rural and suburban districts all of which benefit from door delivery for both similar and different reasons.

USPS Industry Alert: Postmaster General and CEO Megan J. Brennan announced the appointment of Greg G. Graves as Vice President, Area Operations, Western Area.

USPS Link: Randy S. Miskanic, chief information security officer and Digital Solutions vice president, retired June 30 after 21 years with the Postal Service. Miskanic began his career as a postal inspector in 1995. He later became deputy chief inspector and spearheaded an initiative that seized more than \$1 billion in counterfeit financial instruments that could have exposed thousands of customers to fraud. After the anthrax crisis in 2001, Miskanic developed the Inspection Service’s response to hazardous items discovered in the mail. He also helped lead the Postal Service’s response to the 2014 cyber intrusion. In his Digital Solutions role, Miskanic helped align the Postal Service’s innovation strategy with customer demand for secure digital communications. Additionally, Miskanic served as acting chief information officer from May 2015-April 2016. “Randy demonstrated exceptional leadership and a steadfast dedication to his employees, the Postal Inspection Service and the Postal Service,” said PMG Megan J. Brennan.

USPS Office of the Inspector General: Binding the Nation Together – From the Beginning -- As we celebrate the Fourth of July, it seems an appropriate time to consider the Postal Service’s history and mission. How do you think the mission has changed since the Postal Service’s founding? Given all the changes in communications, is there still a need to bind the nation together through a postal system?

Federal Register:

- **Postal Regulatory Commission** New Postal Products , 44056 [2016–15888] [[TEXT](#)]
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- **Postal Service**

Address Quality Census Measurement and Assessment Process , 43965–43971 [2016–15649] [[TEXT](#)]

Meetings; Sunshine Act , 44056 [2016–16051] [[TEXT](#)]

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NATIONAL NEWS

UPS: UPS today announced a significant global expansion of its healthcare-specific capabilities to support clinical trials. UPS’s investments in a range of specialized solutions will help pharmaceutical

companies and clinical investigators move sensitive materials and specimens globally, particularly in and out of complex geographies.

INTERNATIONAL NEWS

CANADA: [680News](#): Canada Post employees in Toronto and Mississauga are preparing for the picket line, as workers across Canada could be off the job by Friday.

CANADA: [Wall Street Journal](#): Canada Post's efforts to cut costs in line with a drop-off in mail volumes are causing deep stresses in labor relations. The postal agency issued a lockout notice to its 50,000 unionized workers that could leave Canada's mail service at a standstill on Friday, a blow to citizens and to companies that use mail in their commercial operations, the WSJ's Ben Dummett reports. The breakdown in labor talks underscores the tough questions facing Canada Post and postal authorities around the world as they cope with a changing delivery landscape. Digital communications has cut sharply into letter volumes, and although online retail sales bring more parcels, the packages are more expensive to handle and postal services face competition for that business from private couriers. The government says so far it's not planning to intercede, as the conservative government did with back-to-work legislation in a 2011 lockout.

UPU Direct Mail Advisory Board: The Direct Marketing Advisory Board has published online the [Direct and Digital Marketing Guide for Developing and Least Developed Countries](#). The guide provides designated operators with an introduction to current direct and digital marketing trends, and also covers online and offline direct marketing techniques and integration of direct mail as part of an omni-channel marketing campaign. (Online in English and French)

News and articles.

- USPS has launched the [Irresistible Mail Award](#) to showcase the most innovative and creative work in direct mail advertising. This initiative was so cutting-edge that it won the 2016 People's Voice Webby Award.
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- Royal Mail has launched a new online self-service marketing tool for small businesses called [MailshotMaker](#). The tool provides users with everything they need to create mailshots to help their business grow, reconnecting with existing customers or finding new ones.
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- The latest article in Mailing Systems Technology, [Mail: Making the Most of Multi-Channel](#), reiterates that using multiple channels increases the reach of a campaign by supporting customers' preferred means of communication, making it more likely that recipients will respond to a call to action.
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Direct marketing research.

- BALmétrique has published the results of a [study measuring the audience of advertising mail](#), conducted with the IPSOS institute in collaboration with the Centre for Advertising Media Studies (CESP). The breakdown by type of mail reveals that each week, 69.8% of French people have at least one contact with printed advertising, 58.1% with addressed advertising mail, 47.4% with non-commercial printed materials (from local authorities and associations), and 72.8% with administrative and business outreach mail. (Study in French)
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- The [E-Commerce Report Switzerland 2016](#) has been released. It contains information on business trends in 2015, the drivers and the driven, cross-channel business concepts and more. (Free download in French and German, as well as English for Executive Summary only)
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- An article in the online marketing magazine e-marketing.fr, entitled [Le papier tient le haut de l'affiche](#) ("Paper takes top billing"), states that paper is inspirational and complementary and that digital has not dented the aura of paper, affirming that print still plays an important role in the media mix. (Article in French)
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Resources

- The [Direct and Digital Marketing Guide for Developing and Least Developed Countries](#) is available for free download. (English and French)
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- The DMAB has set up a [LinkedIn group: UPU – Postal Direct Marketing](#). There you will find examples of the use of postal direct marketing media, best practices, case studies and data. Join, it's free!
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Events

- 19 September 2016, Istanbul, Turkey – [Postal Innovation Platform](#)
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- 16–18 October 2016, Los Angeles, United States – [U.S. Direct Marketing Association Annual Conference and Exhibition](#) (&Then 2016)
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What is the Direct Marketing Advisory Board? The Direct Marketing Advisory Board (DMAB) is a group of designated postal operators, industry organizations and private companies. Its mission is to "foster the growth of direct marketing through the Post by positioning designated operators as important direct marketing channels and contributing to economic and market expansion by increasing market knowledge and developing the expertise of stakeholders at all levels". If you are not yet a DMAB member and wish to work with the UPU to accomplish the DMAB mission, you can apply for membership. If you know someone who would like to receive the DMAB newsletter, [they can subscribe here](#).

Postal Technology International: The [latest issue of Postal Technology International](#) is now available online.

SWITZERLAND: Post & Parcel: Swiss Post has announced that it has signed a new mutual agreement with the price regulator. The prices for domestic A and B Mail letters, which were increased for the last time in 2004, and for domestic parcels remain unchanged.

July 5, 2016

POSTAL/FEDERAL NEWS

USPS Industry Alert: Federal Register Notices regarding Move Update -- The US Postal Service has published two notices related to the Move Update process.

- ***Clarification of the Move Update Standard:*** This Federal Register Notice intends to clarify Move Update requirements in relation to discount mail preparation prices for all commercial mailers, including those authorized as 99 Percent Accurate and Legal Restraint customers. To review the document published July 1, 2016 follow the link: <https://www.federalregister.gov/articles/2016/07/01/2016-15648/clarification-of-the-move-update-standard>
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- ***Address Quality Census Measurement and Assessment Process:*** This updated proposed rule provides information regarding the approach to measuring Move Update compliance utilizing information derived from the Intelligent Mail Barcode during processing on Mail Processing Equipment. This document also includes responses to the mailer comments which were obtained from the original proposal. To allow mailers to comment on the proposal, there is another 30 day comment period available through normal FRN processes. The document is available for review at this link: <https://www.federalregister.gov/articles/2016/07/06/2016-15649/address-quality-census-measurement-and-assessment-process>
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Both Federal Register Notices are available for review today, July 5, 2016.

NATIONAL NEWS

Economics21: Forty-six years ago this month, the U.S. Post Office Department became the United States Postal Service (USPS), the current form of postal delivery that we see today. Now an independent agency of the U.S. government, it has exclusive control over the Postal Service. Like every other government monopoly, it has lost money—\$56.8 billion since 2007. The Postal Service is a smorgasbord of common government failures, including high labor costs due to unions (including the American Postal Workers Union, the National Association of Letter Carriers, and the National Rural Letter Carriers’

Association), congressional burdens restricting needed changes, unfunded pensions, and a failure to adapt to the 21st century.

Federal News Radio: The Postal Service remains an engine of remarkable innovation. Handwriting and optical character recognition, barcode usage, point-of-sale systems and a variety of physical handling systems have all advanced from work done by USPS. The latest innovation is called Informed Delivery. This service converges, in a sense, the domains of email and physical mail. It's been in pilot phase since late last year in New York and parts of Northern Virginia. I'm surprised it hasn't gotten more coverage. As my [interview with Postal VP Gary Reblin](#) describes in detail, Informed Delivery results from a systems integration approach. Reblin said USPS is looking to adding links to catalogs and commercial offers in the emails so people can get an early jump on that offer-of-the-day, or that reduced shirt while your color and size are still in stock. Right now, though, Informed Delivery only includes letter-sized mail. Some controversy surrounds Informed Delivery. A startup called Outbox in 2013 did not garner USPS cooperation. But USPS officials apparently liked the idea.

Dead Tree Edition: Last month the U.S. Postal Service published a notice that it was expanding expand the service area for the Flats Sequencing System (FSS). But hours after Dead Tree Edition revealed that the obscure posting would inch up postal rates for publications and other flat mail, the USPS issued a statement entitled "Inadvertent Addition of New FSS Zones" that withdrew the change. Some mailers were dubious, noting postal officials' come-hell-or-high-water approach to rolling out the Flats Screwing System regardless of the costs to the Postal Service or its customers. Those doubts were expressed in a highly unscientific poll that was recently conducted on Dead Tree Edition's Facebook page. To the question, "How would you describe the recently withdrawn postal rate hike for flat mail?", **83% of respondents chose, "Inadvertent, my ass!"** Postal officials knew exactly what they were doing . The only thing that was inadvertent was that the USPS didn't mean to get caught and have to drop the change before it could even be implemented." The other 17% of the respondents chalked it up to incompetence or to the traditional meaning of "inadvertent."

INTERNATIONAL NEWS

AUSTRALIA: News.com.au: Australia Post could learn a thing or two from FedEx. The global parcel delivery giant has big plans for Australia, and it's hoping the widespread dissatisfaction with Australia Post and its parcel delivery arm Star Track Express will send a bit of business its way. While the overlap is small — FedEx only handles international shipping — new initiatives like the Australia-first 'My FedEx Delivery' service aim to capitalise on the widespread feeling that most of the time, Australia Post can't actually be bothered delivering things.

CANADA: CKNW: It's official, Canada Post has issued a 72 hour lock out service, which means there could possibly be a work stoppage by this Friday.

CANADA: CP24: Canada Post says the latest offer it made to the Canadian Union of Postal Workers in the ongoing labour dispute is to be considered final. In a statement issued on Monday, Canada Post says

it still hopes to negotiate a deal with the union representing postal workers, but adds that the June 25 offers "represent a fair and reasonable framework for settlements." The Crown corporation says the CUPW's demands are "not affordable" and would add \$1 billion in costs over the contract term. The union, meanwhile, is accusing Canada Post of preparing to lock workers out, and creating uncertainty by warning the public to avoid the post office.

July 4, 2016

NATIONAL NEWS

Newsmax: "How Ben Franklin's Post Office Saved America"

INTERNATIONAL NEWS

CANADA: **iNews880:** According to the union that represents Canada Post, several new offers have been made to the workers and the strike deadline has now been pushed to Wednesday, July 6th. There must be a 72 hour notice given by the Canadian Union of Postal Workers before any job action takes place for 50,000 members. However, Canada Post is in a position to lockout workers, but they have yet to serve a notice of a possible lockout. The main issue between Canada Post and the Canadian Union of Postal Workers is the new employee pension plans.

July 2, 2016

POSTAL/FEDERAL NEWS

USPS Office of the Inspector General: How Can USPS Improve Its Negotiated Service Agreements? --

Negotiated service agreements (NSAs) are contractual agreements between the Postal Service and an individual company that provide pricing or other incentives to encourage the company to change its mail operations. NSAs are intended to benefit the Postal Service and customers for whom mail is an integral part of their business strategy. Under these arrangements, rates should decrease for mailers while the Postal Service's volume increases. The two types of NSAs are competitive and market dominant. Competitive NSAs are for products that compete with other shippers. These include: Priority Mail Express, Priority Mail, Parcel Select, First-Class Package Service, select Special Services, all international shipping products, and all products that are not market dominant. Market dominant NSAs include First-Class Mail, Inbound Letter Post, Standard Mail, Periodicals, Media Mail, Bound Printed Matter, Library Mail, Special Services, and outbound single-piece international letters and flats.

- How often are the costs that produce the pricing terms in service agreements reviewed for accuracy?
-
- How can the service agreement self-certification process be improved to ensure that costs are current and accurate?

-
- What would you like to see as part of the Postal Service's self-certification process in terms of how they determine costs?
-

Federal Register

Postal Regulatory Commission

- New Postal Products , 43669–43670 [2016–15740] [\[TEXT\]](#)
-

Postal Service

- Priority Mail Express Negotiated Service Agreement , 43670 [2016–15773] [\[TEXT\]](#)
-
- Priority Mail Express, Priority Mail, and First-Class Package Service Negotiated Service Agreement , 43670 [2016–15772] [\[TEXT\]](#)
-
- Priority Mail Negotiated Service Agreement , 43670 [2016–15771] [\[TEXT\]](#)
-

INTERNATIONAL NEWS

CANADA: [***Canada NewsWire***](#): Canada Post is extremely disappointed with the response from the Canadian Union of Postal Workers (CUPW) at the bargaining tables. Late Friday evening, CUPW tabled offers that would add at least \$1 Billion in new costs over the term of a new collective agreement while rejecting the Corporation's approach to address the long-term issues with the employee pension plan.

BARBADOS: [***Barbados Today***](#): In an age where its sources of income are being choked by private couriers and instant messaging applications render letter-writing obsolete, the postal service is at risk of becoming nothing but a distant memory, local officials have warned. Newly appointed Postmaster General Margaret Ashby Friday contended that the postal service was at the crossroads and in need of reform. She said times have changed and private courier services now dominate the lucrative package delivery market.

July 1, 2016

POSTAL/FEDERAL NEWS

USPS Industry Alert: **Update to the Publication for Streamlined Mail Acceptance for Letters and Flats.** The Postal Service released a draft of the Publication for Streamlined Mail Acceptance for Letters and Flats in November of 2015. We received valuable feedback from the Industry that included separating the Publication content into distinct categories: (1) Mail Preparation Requirements: Reference the appropriate section of the DMM (2) Policies and Processes: Streamlined Mail Entry for Letters and Flats

Publication (3) User Guides/Screenshots: Guide to Streamlined Mail Entry for Letters and Flats Reporting
(4) Technical Specifications: Respective Mail.dat® and Mail.XML™ Tech Specs.

The Mailing Industry is encouraged to review and provide feedback on the updated Publication for Streamlined Mail Acceptance for Letters and Flats and the Guide to Streamlined Mail Entry for Letters and Flats Reporting no later than July 31, 2016. Feedback should be sent to mailacceptancepubs@usps.gov. Streamlined Mail Acceptance for Letters and The documents are posted on the PostalPro home page by scrolling down to Featured News: <http://beta.postalpro.usps.com/>. The documents have also been posted on RIBBs under Intelligent Mail Service: <https://ribbs.usps.gov/index.cfm?page=intelligentmailservices>.

Federal Register:

- **Postal Regulatory Commission** New Postal Products, 43292–43293 [2016–15587] [\[TEXT\]](#)
-
- **Postal Service** Clarification of the Move Update Standard , 43293–43294 [2016–15648] [\[TEXT\]](#) Reassignment of Post Office Box Section 98025 to Competitive Fee Group, and of Sections 87325 and 87326 to Market Dominant Fee Groups , 43294–43295 [2016–15640] [\[TEXT\]](#)
-

USPS Office of the Inspector General:

- **Approved Shippers Pricing and Customer Service**
-

Background. The Approved Shipper Program is a component of the Approved Postal Provider® Program, which gives U.S. Postal Service customers expanded access to Postal Service offerings, such as mailing packages and letters, at non-postal locations. In fiscal year (FY) 2015, the Postal Service generated [redacted] from the Approved Shipper Program. As of October 2015, there were 7,860 approved shippers. The UPS Store®, Office Depot®, PostNet, and Staples® are the Postal Service's largest approved shippers, with 5,065 locations generating [redacted] in revenue during FY 2015. Approved shippers must charge at least the Postal Service rate for packages but can apply surcharges for accepting mail on behalf of the Postal Service. In addition, the shippers must adhere to the Postal Service's customer service and safety requirements. A May 2015 U.S. Postal Service Office of Inspector General (OIG) audit report found that approved shippers did not always follow hazardous materials (HAZMAT) and other mail security requirements. Our objectives were to determine whether approved shippers charged the correct postage when accepting Postal Service mail and assess their customer service standards. We also assessed whether approved shippers improved their adherence to mail security requirements. We conducted our testing at 129 of the four largest approved shipper locations. We did not assess all attributes at each location. Further, we conducted testing at an additional 16 locations to assess the proper handling of certified mail and non-flat rate postage pricing.

What the OIG Found. Approved shippers did not always charge the correct postage when accepting Postal Service mail, and they need to improve their customer service. In addition, shippers are still not complying with mail security requirements. Approved shippers did not always charge the correct postage for flat rate boxes. Clerks incorrectly quoted lower postage prices at 34 of 90 locations (38 percent) where we presented flat rate boxes. The clerks either quoted a price for the wrong type of flat rate box or priced the flat rate box by weight. Also, clerks at three of 16 approved shipper locations quoted postage prices lower than the Postal Service price for non-flat rate boxes. Flat rate boxes that are priced below the correct mail category are considered shortpaid, resulting in a net revenue loss to the Postal Service. We calculated that the Postal Service did not realize about [redacted] in revenue during FY 2015 due to shortpaid flat rate boxes accepted by the four largest approved shippers. Approved shippers also need to improve their customer service: (1) Clerks at 64 of 125 locations we visited (51 percent) did not provide correct information about customs declaration form requirements when mailing to Army Post Offices or Puerto Rico. (2) Clerks at eight of nine locations where we evaluated certified mail services (88 percent) did not complete the required certified mail form correctly. Four of the nine (44 percent) did not enter the tracking number in their system. (3) Clerks at 11 of 129 locations we visited (8.5 percent) made negative or incorrect statements regarding the Postal Service.

By making negative or inaccurate statements about the Postal Service and not following its policy for certified mail and customs forms, the approved shippers could be adversely affecting its brand. If customers do not receive high-quality service at approved shipper locations, they might be deterred from using the Postal Service in the future. Further, approved shippers are still not following mail security requirements. Ninety of 125 locations visited (72 percent) were willing to accept packages with hazardous materials, such as cologne, lighters, and aerosol sprays. Also, 22 of 129 locations (17 percent) did not secure the mail from public access. Accepting hazardous materials could result in a catastrophic event, potentially harming customers, employees, facilities, and operations. In addition, packages left unsecured could be stolen. In response to our prior OIG report on approved shippers, Postal Service management established HAZMAT training requirements and approved shippers were responsible for certifying that their clerks were trained annually. However, there was no official test to determine clerks' level of understanding of the training and approved shippers did not have to re-certify after hiring staff. Additionally, in FY 2016 the Postal Service implemented a new program to improve customer satisfaction by measuring how clerks handle hazardous materials, but it does not focus on mail security or whether clerks apply correct postage to packages. Without controls to test and verify approved shippers' knowledge, the Postal Service does not have oversight to ensure the clerks are knowledgeable about the Postal Service's products and services and understand the importance of its security requirements. We did note that, for 126 of 129 locations visited (97.7 percent), customer wait-time-in-line was 5 minutes or less, exceeding the Postal Service's goal of a wait-time-in-line of 5 minutes or less 87.5 percent of the time.

What the OIG Recommended. We recommended management update approved shipper license agreements to include provisions for collecting lost revenue and assessing penalties for shortpaid packages; test approved shipper clerks' knowledge of Postal Service products, services, and HAZMAT

requirements; and expand the Retail Customer Experience Program to address correct postage payment and mail security.

- **Electronic Media Disposal**
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Background. In 2015, the U.S. Postal Service Information Technology (IT) group supported and maintained over 145,000 desktop computers, 23,000 notebooks, and 81,000 printers. These IT electronic media retain data on their hard drives, random access memory, and read-only memory, which should be removed before disposal. The disposal contractor repurposes, resells, or physically destroys the obsolete IT electronic media. Over the last 5 years, the contractor sanitized an average of 40,490 pieces of IT electronic media per year. An effective electronic media disposal process includes tracking, securing, and sanitizing media. Media sanitization is a process where data is removed from media or the media is permanently destroyed. These steps are critical for protecting sensitive data against unauthorized disclosure. Employees who are accountable for IT electronic media that is no longer useful identify it for disposal Our objective was to determine the effectiveness of the IT electronic media disposal process.

What the OIG Found. We found that management did not have an effective disposal process for IT electronic media. The Asset Management and IT groups did not effectively track electronic media from the time of disposal by a Postal Service facility until the contractor completed sanitization. For example, the Asset Management and IT groups did not confirm that all IT electronic media identified for disposal at Postal Service facilities had been sanitized. According to information provided by the disposal contractor, between September 2010 and February 2016, over 203,000 pieces of IT electronic media were sanitized; however, management cannot verify that this is the same amount of IT electronic media that was sent to the contractor to be sanitized. In addition, management did not have controls to provide positive identification of individuals entering buildings where electronic media is stored. It lacked a badge access system and security cameras for the two leased buildings. The Asset Management and IT groups did not have a clearly defined policy requiring the tracking and reconciliation of disposed IT electronic media. In addition, the manager of Asset Management stated that obtaining a badge access system and security cameras for the two leased buildings was not considered previously because building access was originally limited to a few employees. Finally, the Asset Accountability group did not verify that the disposal contractor is sanitizing all of the IT electronic media according to contract terms. In February 2016, the Asset Accountability group started verifying the sanitization process with the disposal contractor during a site visit; and also planned two additional visits.

What the OIG Recommended. We recommended management review and update policy and implement procedures for tracking and reconciling the IT electronic media from disposal to sanitization. In addition, Asset Management should obtain a badge access system and security cameras for the two leased buildings, and enact a policy and implement procedures that require management to conduct periodic reviews of the disposal contractor's sanitization process.

NATIONAL NEWS

Townhall: The U.S. Postal Service (USPS) has lost more than \$50 billion since 2007, even though it enjoys legal monopolies over letters, bulk mail, and access to mailboxes. The USPS has a unionized, bureaucratic, and overpaid workforce. And as a government entity, it pays no income or property taxes, allowing it to compete unfairly with private firms in the package and express delivery businesses. The USPS needs a major overhaul. It should be privatized and opened to competition. But instead of reform, congressional Republicans are moving forward with legislation that tinkers around the edges.

Quad/Graphics Blog: We hear mail owners complain about the predictability of the delivery of their mail campaigns. They're sending Standard Mail campaigns consistently on a particular day of the month with an expectation that their mail pieces will arrive about the same time everywhere in the U.S. That's an unrealistic expectation – and here's why.

Bloomberg: United Parcel Service Inc. will install lockers outside 300 retailers in the U.S. as the shipping giant expands its use of alternate delivery sites. The move expands UPS's experiment with outdoor lockers at nine Chicago-area locations, which were typically placed outside of retailers and accessible around the clock. The company is working with the 7-Eleven convenience-store chain and independent stores to offer the new lockers.

Reuters: United Parcel Service Inc (UPS.N) has reached a tentative five-year agreement with its pilots' union after nearly five years of talks.

INTERNATIONAL NEWS

UNITED KINGDOM: Press Release: Apex Insight has just published a new report, UK Sameday Delivery Market Insight Report 2016. The 40 page report analyses the UK same day delivery market, quantifying the market size, historical growth rates and levels of industry profitability. It also includes an in-depth analysis of the relevant drivers of industry growth setting out historical trends and available forecasts. For more information about the report, please visit the report page: [UK Sameday Delivery Market Insight Report 2016.](#)

CHINA: The Malay Mail: State-owned Postal Savings Bank of China (PSBC), the country's largest bank by number of branches, has filed for a Hong Kong initial public offering (IPO) seeking to raise as much as US\$10 billion (RM39.91 billion).

AZERBAIJAN: Azernews: Azerpocht, Azerbaijan's government-backed postal service provider is engaged in the development of mechanisms of micro crediting services. Elmir Valizade, country's Deputy Communications and High Technologies Minister announced about this while talking to reporters on June 30. The deputy minister added that this will allow to expand the list of financial services of the postal operator.

CANADA: The Globe and Mail: Canada Post workers' union wants to end two-tier employee system.

June 30, 2016

POSTAL/FEDERAL NEWS

USPS Office of the Inspector General:

- [Retail System Software Help Desk](#)

Background. The U.S. Postal Service started deployment of the Retail System Software (RSS) solution in fiscal year (FY) 2014, to replace the existing retail point-of-service software at about 18,000 Post Office locations. RSS was deployed to reduce the number of vendors involved in the Postal Service's retail solutions and lower its operational and maintenance costs. The NCR Corporation has provided help desk services for the Postal Service's retail point-of-service software since 2008 and will continue to do so for RSS through September 2016. In FY 2015, the U.S. Postal Service Office of Inspector General issued a report recommending the Postal Service evaluate metrics and ensure the RSS help desk is adequately staffed with knowledgeable personnel and able to support national deployment. The Postal Service uses metrics to measure the RSS help desk. Our audit focused on metrics for the Tier One help desk (which is the point of entry for customer issues): (1) abandoned call rate, which occurs when a caller hangs up before being connected to the help desk agent, (2) average speed to answer, which measures how long it takes for the help desk to answer the call, and (3) average handle time, which is the amount of time it takes from customer initiation of the call to completion of related tasks that follow the call. We selected the average speed to answer metric and abandoned call rate because they were the two primary metrics in the RSS help desk contract for which we could assess performance. Further, we evaluated the average handle time because it is a help desk efficiency measure. Our objective in this follow-up audit was to determine whether the help desk is adequate to support RSS.

What The OIG Found. The Postal Service is meeting or exceeding performance metrics for the RSS Tier One help desk; however, opportunities exist to improve performance by strengthening established metrics and adding an average handle time performance metric. The help desk showed continuous improvement in Tier One metrics from August 2015 to February 2016. Specifically:

- Abandoned call rates have declined from a high of 36 percent in August 2015 to a low of about 1 percent in February 2016, while the target is 8 percent or less. A lower abandoned call rate could result in higher cost per contact.
- Average speed to answer time has decreased from an average of about 26 minutes (August 2015) to an average of 44 seconds (February 2016), which exceeds the established metric of 90 seconds. Although the Postal Service is meeting the average speed to answer performance target, it could further improve customer satisfaction and help desk efficiency by reducing the performance target.

The Postal Service is able to track help desk handle time, but it does not have a metric to do this. Without a targeted performance metric, the Postal Service is at increased risk of under- or over-staffing the RSS help desk operation. The RSS help desk efficiency and customer satisfaction could be negatively impacted without establishing and monitoring adequate performance targets.

What The OIG Recommended. We recommended management re-evaluate help desk metrics to increase performance for future help desk agreements, to include establishing an average handling time performance target.

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- [Student Cooperative for Dynamic Reporting Team \(PAID\)](#) -- The USPS OIG is seeking students enrolled in college/university programs to fill our Student Cooperative - (Paid) position on the Dynamic Reporting Team in the Office of Chief of Staff (COS) located in Arlington, VA. The COS Dynamic Reporting Team is responsible for overseeing the OIG's initiative to create interactive, comprehensive dynamic reports through the use of audio, video, infographics, and interactive charts and graphs. The team is also tasked with providing graphic design support to the Communications team, as well as other components of the agency. The Student Cooperative Program is available for continuous employment throughout the year, while enrolled in school.

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USPS Industry Alert: An issue is under investigation that is impacting PostalOne! access. Additional information will be provided when available. Mailings will continue to be accepted under the PostalOne! Contingency Plan posted on RIBBS at https://ribbs.usps.gov/intelligentmail_latestnews/documents/tech_guides/PostalOneExternalContingencyPlan.pdf. eInduction mailers should follow the eInduction contingency plan.

Federal Register:

- **Postal Regulatory Commission**
Ex Parte Communications, 42534–42542 [2016–15349] [\[TEXT\]](#)
-
- **Postal Service**
Inspection Service Authority: Civil Monetary Penalty Inflation Adjustment, 42532–42534 [2016–15464] [\[TEXT\]](#)
Privacy Act; Systems of Records, 42760–42761 [2016–15461] [\[TEXT\]](#)
Priority Mail and First-Class Package Service Negotiated Service Agreement, 42760 [2016–15463] [\[TEXT\]](#)
Priority Mail Negotiated Service Agreement, 42760 [2016–15462] [\[TEXT\]](#)

NATIONAL NEWS

The Federalist: Privatization is the answer for saving the U.S. Postal Service from the financial crisis it faces in the digital age, libertarians declared at a lecture sponsored by the Cato Institute yesterday. Mail volume has decreased dramatically, spelling disaster for a government corporation technically self-funded by postage revenue.

Time Warner Cable News: A Grand Alliance to Save Our Public Postal Service held the gathering at the International Civil Rights Center And Museum. The hearing in the Gate City is one of five across the U.S. held in June. A Grand Alliance is a coalition of more than 130 local, state and national organizations that united to advocate for a great public postal service, including non-profit postal banking and other financial services. A Grand Alliance blames USPS's financial struggles over the years on a law passed by congress in 2006. It requires the postal service to prefund 75 years of retiree costs.

Lexology: Three standard clauses used in virtually all Postal Service surface transportation contracts are now on the chopping block. In an interim ruling, the Court of Federal Claims ordered the Postal Service to show why these three clauses should not be declared unlawful and unenforceable. *Tabetha Jennings v. U.S.*, Fed. Cl. No. 14-132C, May 29, 2016.

FedSmith: The National Active and Retired Federal Employees Association has sharply criticized plans by the House of Representatives Committee on Oversight and Reform to require postal retirees, their spouses and survivors to enroll in Medicare Part B or forfeit their coverage in the Federal Employees Health Benefits Program (FEHBP).

INTERNATIONAL NEWS

CANADA: CBC News: There are already clear winners and losers this week as the deadline for a potential contract dispute between Canada Post and its workers inches closer. Canada Post has warned customers that mail and parcels sent through the postal system this week may not get delivered if the service is shut down this weekend. As a result, many businesses have now jumped to contingency plans to make their deliveries with alternate couriers, creating a big boost in sales for courier companies. At the same time, there's a lot of hand-wringing going on at small businesses that depend on Canada Post to receive or send payments. The stakes are even higher for companies that depend wholly on mail orders.

CANADA: Simcoe: While the nature of mail delivery has been changing for years, there are still millions of people, including hundreds of thousands of small and medium businesses, that continue to rely on physical mail delivery over online correspondence, York University marketing professor Alan Middleton said. A labour disruption would be a hardship for them and, more importantly, for the long-term, would likely drive many business owners to turn to electronic communication, from which they may not return to traditional mail delivery, said Middleton, also executive director of the Schulich Executive Education Centre. But where a lockout or strike would have the biggest impact is on parcel delivery by Canada Post's Purolator, in many ways the future for the Crown corporation, he said. Losing credibility and brand reputation could prove to be ultimately disastrous for Canada Post, Middleton said. "It will be what I call

death by 1,000 cuts,” he said. “A lot of Canada Post’s advertising and promotion, rightly, has been about their role, both under the Canada Post brand and also through Purolator, how important it is to get that stuff you ordered online in a reasonable delivery time.” Canada Post’s efforts to reposition itself on that front will be hurt if it’s not viewed as a reliable parcel delivery supplier in a highly competitive market, Middleton said.

CANADA: [Global News](#): "Canada Post work stoppage: What you need to know if service stops."

CANADA: [Vancouver Sun](#): It may be telling that a potential strike by workers at Canada Post could begin this Saturday, July 2, in the middle of the Canada Day long weekend. Since there will be no mail delivery over the three-day weekend anyway, it seems safe to predict that Canadians would be unlikely to notice anything different. Indifference would be an appropriate response, given the apparent inability of the Canadian Union of Postal Workers (CUPW) to notice that the world has changed. It’s not 1974 anymore, Canadians aren’t tied to the mailbox the way they once were, and the last thing union bosses should want to do is draw attention to how irrelevant they have become. If the strike goes ahead, they may come to regret it. Instead of seeking a more nimble model for Canada Post to compete under new circumstances, the union wants to revive postal banking, a dated idea that was phased out in 1968. It sees banking as a means of maintaining jobs at a time when email and other technologies are steadily eroding demand for delivery services. Rather than increase the Crown corporation’s ability to compete with swifter and more convenient rivals, CUPW hopes to turn back the clock almost 50 years.

CANADA: [The Nelson Daily](#): There appears to be no turning back on a potential disruption to mail delivery after Canada Post CEO Deepak Chopra officially rejected a letter from postal workers asking him to extend the July 2 deadline for a lockout by a period of two weeks.

June 29, 2016

POSTAL/FEDERAL NEWS

Federal Register: Postal Regulatory Commission New Postal Products, 42380 [2016–15334] [TEXT](#)

Industry Alert: Contingency Plans: USPS Monitors Possible Strike in Canada. The Postal Service™ is monitoring a possible strike or work stoppage affecting Canada Post. Canada Post is the postal operator that performs delivery in Canada of U.S. shipments of First-Class Mail International® service, First-Class Package International Service®, International Priority Airmail® service, International Surface Air Lift® service, Priority Mail International® service, and Priority Mail Express International® service. If a strike or work stoppage occurs, USPS will continue to offer customers the option of using Global Express Guaranteed® (GXG) service for delivery of documents and merchandise in Canada, with transportation and delivery by FedEx. GXG service is available online and at thousands of participating retail locations throughout the United States. Additional information and updates about mail service to Canada are available on the Postal Service’s International Service Alert page.

NATIONAL NEWS



PostCom submitted [comments](#) to the House Committee on Oversight and Government Reform on its bipartisan discussion draft.

NALC: National Association of Letter Carriers submitted comments to the House Committee on Oversight and Government Reform on its bipartisan discussion draft.

MPA: The Association of Magazine Media (MPA) submitted comments to the House Committee on Oversight and Government Reform on its bipartisan discussion draft.

eCommerceBytes: The USPS has announced bigger, better mailboxes to satisfy the needs of online shoppers. The only question is, are they big enough? The next-generation mailboxes are for sale at The Home Depot (appropriately enough, you can buy them online and pay with PayPal). The Postal Service said manufacturers introduced the boxes this month after USPS approved new standards last year. However, the standards apply only to curbside boxes, not mailboxes made for door delivery service. The bigger boxes are part of the Postal Service's efforts to grow its package delivery business amid changes to the mail mix. The USPS also wants to reduce failed delivery attempts that occur when letter and rural carriers are unable to deliver packages because they won't fit in customers' boxes.

INTERNATIONAL NEWS

ROMANIA: Actmedia: The Romanian Post - Posta Romana - has closed 2015 with a rd 30 million lei loss, due to a fine from the Competition Council for anticompetitive actions over 2010-2012, the managing director of the company, Alexandru Petrescu told Agerpres in an interview. As for 2016, Petrescu estimates that the postal operator will close in the black, at about 4 million lei net profit. "The company's privatisation remains a perspective, only that currently we have a wider range of possibilities and we think of listing it at the Bucharest Stock Exchange (BVB). Talks are among stakeholders and I believe, next to them, that a listing would be the best solution. I don't find it necessary to go on a majority stake, we could as well be on a minority package, because we have a commercial history that proves us correct in what we do. (...) Yet, the listing could not occur earlier than 24 months," he said. The head of the Romanian Post added he had in preparation a state bonds' issuance, which is possible by the end of 2016.

CANADA: Post & Parcel: UPS Canada has announced that it is prepared to take on additional packages through its UPS Access Point Network, as businesses and consumers look to make their contingency plans ahead of possible disruptions at Canada Post.

JERSEY: Post & Parcel: Jersey Post will be trialling a new extra feature to its SecureDrop service – called SecureDrop Signature – which enables all deliveries requiring a signature, including Special Delivery, to be delivered to a customer's SecureDrop location. A unique barcode will be affixed to each customer's SecureDrop delivery point for the postal worker to scan when an item is delivered. By

scanning the barcode the postal worker registers proof of delivery at the property. Customers can nominate a safely accessible, weatherproof location on their property as their SecureDrop location. Alternatively, they can nominate a neighbour to receive items on their behalf.

June 28, 2016

POSTAL/FEDERAL NEWS

USPS Office of the Inspector General: Groceries to Your Door -- In the battleground that is last-mile delivery, groceries are the soup du jour. Major players and smaller upstarts are jumping in to test grocery delivery to the consumer's doorstep. The competition should benefit consumers, if not their waistlines. One reason for the interest in grocery delivery is that online grocery shopping is poised for tremendous growth over the next few years, analysts predict. Amazon was an early player in the grocery delivery market, launching AmazonFresh nearly a decade ago. Two years ago, the company tapped into the U.S. Postal Service's market test of its Customized Delivery service to deliver first in San Francisco and then in New York City. Postal officials map out the day's deliveries and then city carrier assistants load the trucks and deliver the totes of food between 3 a.m. and 7 a.m., leaving them at front doors

NATIONAL NEWS

Government Executive: House lawmakers earlier this month introduced a measure with bipartisan support to overhaul the U.S. Postal Service, and expressed optimism the draft bill would finally clear the hurdles that have prevented similar legislation from becoming law for several years running. The reaction to the proposal, however, does not instill as much confidence. Stakeholders across the mailing industry have weighed in, with many either voicing either pointed criticisms or refraining from announcing any support. The Postal Service itself has declined to endorse the bill, saying only it is still reviewing the draft. Stephen Kearney, who heads the Alliance of Nonprofit Mailers, said mailers have "plenty to worry about" in the bill. The measure would make permanent half of the emergency rate increase that expired earlier this year, which Kearney said would hit big users of the Postal Service just as they were adjusting to the newly lowered rates. He also expressed concern about the draft legislation in several areas emphasizing USPS cover all of its costs, which he noted historically has meant increasing prices rather than cutting expenditures. "This new requirement runs the risk of knocking magazines, newsletters, catalogs, and other flat-shaped mail out of the mailbox," Kearney said. "Then the reasons for consumers to go to their mailbox will diminish further, and the rationale for a government-run mail service will fade." The House committee plans to close the comment period on the discussion draft shortly and subsequently formally introduce the bill and hold a markup. Lawmakers told stakeholders they optimistically hope to push the bill to the House floor before the seven-week recess that begins July 15.

Newsnet 5: The reality is many people don't have or have never had a bank account to their name. It's a growing problem nationally, affecting more than 20 percent of people. But now the post office is pushing for their locations to have banking as an option for customers. They believe it will help with the more than

a quarter of Cleveland households unbanked, meaning they do not use or have access to banks at all, while also keeping their struggle business a float.

Linn's: Both the United States Postal Service and Royal Mail have acknowledged they are discussing how much the British mail system must pay for the \$24,371 worth of U.S. Harry Potter forever stamps it acquired in 2014. But the Stamp Services office in Washington, D.C., declined to discuss what is happening to its Stamp Fulfillment Services (SFS) division in Kansas City, where the Postal Service's inspector general found a number of questionable practices beyond the stamp sale.

INSIDE SOURCES: Earlier this month, a bipartisan group of House lawmakers released the 2016 Postal Service Reform Act. Republicans and Democrats have often failed to find agreement on postal reform, which has led to a decade-long stalemate to fix problems at the agency. But the latest piece of legislation is expected to make its way to the House floor by mid-July, and the Senate is expected to take up its version of the bill later this year. While the bill is receiving bipartisan congressional support, taxpayer and consumer advocates are voicing concerns about the cost of the legislation. David Williams, president of the Taxpayers Protection Alliance tells InsideSources the reforms amount to "window dressing" when the agency is in need of a greater overhaul. As **InsideSources reported last fall**, USPS has monopoly power for mail delivery in the U.S., and it is given significant cost savings compared to other businesses in state and local taxes. Because of high demand for its monopoly services, it is able to cross-subsidize, or artificially decrease, the cost of its products that, in theory, are competing against companies like UPS and FedEx. The same would be true for non-postal services that would be developed in the new legislation.

Greensboro News & Record: U.S. Rep. Alma Adams, D-12, will participate in a field hearing Wednesday about the future of the postal service in the city and surrounding communities. The discussion will center on the need for new and expanded postal services in the area including the potential for postal banking. This event is one of five hearings that are being held across the U.S. They are organized by A Grand Alliance to Save Our Public Postal Service which is a coalition of more than 130 civil rights, faith-based, environmental, senior citizen, civic and labor organizations

Washington Post: The post office was America's first institution, and it's not an overstatement to say that it helped create our robust democracy. Their services have always been available to all, regardless of income, location or race. And so, it is not unreasonable to suggest that as America's oldest instrument of democracy in action, the post office can create an equal credit market through a public option, and in the process, even save itself from imminent demise.

INTERNATIONAL NEWS

CANADA: **Canada NewsWire:** Postal workers are asking Canada Post management for a two-week extension on the cooling-off period that would otherwise entail a termination of their contract on July 2nd. At that point, the union says Canada Post might either lock its workers out or try to force a walkout through punitive changes to their working conditions. "We are asking management to give us a chance, to

give the public review a chance, to keep sitting down with us at the bargaining table, and give the workers a chance to get a fair deal," said Mike Palecek, national president of the Canadian Union of Postal Workers.

CANADA: **Global News:** The union representing Canadian postal workers has dubbed last minute offers made last weekend by Canada Post "inadequate," meaning the mail system could grind to a halt as early as this weekend.

CANADA: **The Globe and Mail:** Small businesses are scrambling to ship product, pay suppliers and get paid by the end of the month as a potential work stoppage at Canada Post looms. As of July 2, postal workers will be in a legal position to walk off the job, or be locked out by the Crown corporation. Many small companies rely on Canada Post to conduct daily business. The Canadian Federation of Independent Business (CFIB) did a survey in 2013 showing 98 per cent of small-business owners use its letter mail services on a monthly basis. About 40 per cent sent 50 or more pieces of mail each month.

CANADA: **CityNews:** A strike or lockout at Canada Post may not have a huge impact on most people these days, but it could be another nail in the coffin for the beleaguered Crown corporation. "We deliver two out of every three parcels to Canadians that they order online," said Canada Post spokesman Jon Hamilton. "That's a business that's competitive. People have options. So customers can go elsewhere to get their parcels delivered, and a strike would give them a huge reason to move away from Canada Post to somebody else."

INDIA: **Merinews:** Public authorities should use India Post services, not the private couriers to serve our customers. It is observed that several government-departments, public-authorities and public-sector-undertakings (PSUs) use private courier service rather than postal services. With premium postal-services like Speed Post now available at most post offices and destinations, it should be made compulsory for all bodies under central and state governments for compulsorily using only normal postal-services. Registered Post should be used at destinations not covered by premium Speed Post service. Postal Department should take up the matter with Department of Public Enterprises and others concerned.

CANADA: **CBC:** Trouble could be brewing for mail dependent communities in the North as negotiations stall between Canada Post and the Canadian Union of Postal Workers with both parties talking about the possibility of a disruption in services. Employees could be locked out or on strike if an agreement between the crown corporation and the union isn't reached by July 2. "Any disruption to the postal services would be very dramatic here because so many people depend on the postal service," said Mike Richards, senior administrative officer for the Nunavut hamlet of Whale Cove.

June 27, 2016



The Association for Postal Commerce has sent a letter to the General Counsel of the U.S. Postal Service expressing its grave concern that the Postal Service's intention to roll out "Dashboard" platform. Specifically, PostCom said that this decision violates the Postal Accountability and Enhancement Act's prohibitions against competing with its customers with with products offered already offered and provided by them. PostCom noted that the Postal Service's decision to go forward with the Dashboard is illegal by by relying on information provided by mail service providers that would otherwise be unavailable to the Postal Service.

June 26, 2016

NATIONAL NEWS

Roanoke Times: A multitude of delayed- and missing-mail complaints has prompted a federal investigation of the U.s. Postal Service's consolidation of the Roanoke and Greensboro processing centers. But a more fundamental problem underlies the postal service.

June 25, 2016

POSTAL/FEDERAL NEWS

Federal Register: Postal Regulatory Commission New Postal Products, 41609–41610 [2016–15042]
[TEXT]

NATIONAL NEWS

Internet Retailer: The shipping carrier is working with e-retailers about peak season needs. E-commerce orders helped the FedEx Ground unit increase revenue by 20.2% for Q4 and 27.7% for fiscal 2016. FedEx Corp. is deep in holiday preparation mode, with work on its e-commerce package delivery strategy well underway, Mike Glenn, president and CEO of FedEx Services, told analysts on the shipping carrier's fiscal Q4 and fiscal 2016 earnings call, according to a transcript from Seeking Alpha.

INTERNATIONAL NEWS

CANADA: **Globalnews:** Canada Post service could come to a screeching halt in July as ongoing contract negotiations make little headway. Around 50,000 Canadian Union of Postal Workers (CUPW) members could be locked out or strike if an agreement is not reached by the end of June. A widespread labour disruption would shut down postal service, save for a few exceptions. There is an agreement in place to

ensure the delivery of “federal socioeconomic cheques: welfare cheques, pension cheques, things like that,” will continue, said Canada Post spokesperson Jon Hamilton. Canada Post has been warning of a work disruption since the beginning of April.

June 24, 2016

POSTAL/FEDERAL NEWS

USPS Office of the Inspector General:

- Are Transportation Costs Correctly Allocated to Products and Services? -- We are conducting an audit to verify the accuracy of domestic contracted transportation costs reported by the Postal Service. These costs must be accurately reported because the law requires that revenue from each class of mail cover its attributable costs. Also, these costs can affect product prices. All costs must be broken down into two categories: costs that are directly related to a product (attributable) and costs that are not (institutional). Attributable cost is the sum of volume-variable costs and product specific costs. Cost Segment 14 – Transportation covers the cost of air, highway, rail, and water transportation procured by contract. These costs are tracked by individual products on a quarterly basis through statistical sampling provided by the Transportation Cost System (TRACS). TRACS identifies all Postal Service mail transportation costs and assigns these costs, individually and collectively, to each class and subclass of mail. It can be used to estimate: total volume (cubic feet) per mile for different rate categories of mail transported by highway, rail, and water; and total weight per mile for different categories of mail transported by air.
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- How Do USPS Information Security Standards Compare with NIST Standards?
- AS-805 Security Handbook establishes the information security policies to appropriately identify, classify, and protect Postal Service information resources. The National Institute of Standards and Technology (NIST) Special Publication (SP) 800-53, Security and Privacy Controls for Federal Information Systems and Organizations, provides a catalog of security controls for all the U.S. federal information systems except those related to national security. NIST develops computer security standards for the federal government and publishes reports on topics related to information technology (IT) security. The SP 800 series reports on the research and activities of the Information Technology Laboratory, a major research component of NIST. Organizations have flexibility in applying the baseline security controls in accordance with the guidance provided in SP 800-53. But, a survey revealed that 74 percent of federal agencies follow NIST’s cyber security framework, which was released in 2014 after the rapid increase of cyber security breaches in federal information systems.

***Federal Register:* Postal Service**

- First-Class Package Service Negotiated Service Agreement, 41354 [2016–14941] [\[TEXT\]](#) 41354 [2016–14942] [\[TEXT\]](#)
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- Priority Mail Negotiated Service Agreement, 41354 [2016–14943] [\[TEXT\]](#) 41354 [2016–14944] [\[TEXT\]](#)
-

NATIONAL NEWS

CNBC: Package delivery company FedEx on Tuesday reported a quarterly loss due to mark-to-market pension adjustments and expenses related to acquiring Dutch package delivery company TNT, and said it did not know how those two factors would affect its earnings for the coming fiscal year.

INTERNATIONAL NEWS

NEW ZEALAND: Radio New Zealand: Reduced deliveries by New Zealand Post have affected board-of-trustee elections, School Trustees Association says. New Zealand Post cut deliveries to three days a week last year, because of falling mail volume. More than half of the country's schools held board elections earlier this month. New Zealand Post said it was in the process of checking if any complaints were made and was open to discussion on the matter.

CANADA: Kamloops This Week: Canada Post and the Canadian Union of Postal Workers are in contract negotiations. Canada Post has suggested a looming labour dispute could disrupt service as early as July 2, two days before property taxes in Kamloops are due. Revenue and taxation manager Parissa Bhullar said a postmark from before the due date isn't considered proof of on-time payment and encouraged taxpayers to look at other ways of paying their taxes. Property taxes can be paid in person at city hall (at First Avenue and Victoria Street), at the bank, via telephone banking or online. Residents who fail to pay by the July 4 due date are subject to a 10 per cent penalty.

June 23, 2016

POSTAL/FEDERAL NEWS

Federal Register: Postal Regulatory Commission New Postal Products, 40931–40932 [2016–14836] [\[TEXT\]](#) 40930–40931 [2016–14885] [\[TEXT\]](#)



PostCom Members!! Welcome to another **PostCom Postal Podcast**. Join in and listen to PostCom President Gene Del Polito and PostCom President-Elect Jessica Lowrance in a discussion of issues, concerns, and other matters pertaining to the recent postal reform legislative draft circulated by the House Committee on Oversight and Government Reform.

June 22, 2016

POSTAL/FEDERAL NEWS

Postal Regulatory Commission:

- **RM2016-4 Order No. 3379 - Order Adopting Final Rules for Ex Parte Communications**
<http://www.prc.gov/docs/96/96379/Order3379.docx>
<http://www.prc.gov/docs/96/96379/Order3379.pdf>

USPS Office of the Inspector General: Recently Published Audit Reports

- **Mailed Samples Market** -- Our objective was to evaluate the effectiveness of Postal Service attempts to grow product sample mailings and identify opportunities for improvement. Read [Full Report](#).
- **Software Change Management for Engineering Systems** -- Our objective was to evaluate the effectiveness of the software change management process for Engineering Systems. Read [Full Report](#).
- **Management Alert - Stamp Fulfillment Services** -- Our objective was to evaluate internal controls over off-sale retail merchandise and accountable paper stored at the Kansas City SFS. Read [Full Report](#).
- **City Delivery Office Efficiency - Houston District** -- Our objective was to evaluate internal controls over off-sale retail merchandise and accountable paper stored at the Kansas City SFS. Read [Full Report](#).

Federal Register: Postal Regulatory Commission New Postal Products, 40733–40734 [2016–14709]
[\[TEXT\]](#)

NATIONAL NEWS

Deseret News: If any government task resembles that of the mythological Greek king Sisyphus, constantly rolling a boulder up a hill only to watch it roll back down again, it is postal reform. That's why it was surprising this week to hear that Utah Rep. Jason Chaffetz is taking it on, and that he is optimistic.

Tribune-Review: FedEx Ground posted a 20 percent boost in quarterly revenue on higher package volumes and increased rates to ship them as the package handler continues to ride growth in e-commerce. The Memphis-based company handled 10 percent more package volume in the fourth quarter that ended May 31 and collected 7 percent more revenue per package, the company said Tuesday.

Linn's: The Stamp Fulfillment Services office agreed to sell Royal Mail thousands of United States Harry Potter stamps at a 35 percent discount in violation of a United States Postal Service law prohibiting the sale of U.S. stamps to anyone at less than face value. The U.S. Postal Service Office of Inspector General charged in a report dated June 15 that the Kansas City, Mo., facility made the sales decision without the approval or knowledge of officials in Washington. As of April 6, the report said Royal Mail had not paid for the 2,640 booklets of Harry Potter stamps it received during fiscal year 2014. The USPS could risk losing \$24,371 as a result, the report said.

INTERNATIONAL NEWS

CHINA: Global Times: With the rapid development of Chinese e-commerce businesses in recent years, express delivery companies have seen explosive growth nationwide. But due to their gross lack of regulation, the sector also now serves as something akin to a personal courier service for criminals. Drug dealers and arms traffickers previously had to make cross-country trips in cars carrying their contraband; now they just call "kuaidi" to come pick it up for them for 20 yuan, with absolutely no threat of being caught. What's more, there is no punishment for express companies who fail to abide by the regulation. It's just yet another empty law on the central government's books.

CANADA: The Globe and Mail: It's a little early to tell if the idea will fly, but Canada Post is starting to look at the role of drones in making deliveries. The post office is quietly exploring the possibility of small, unmanned aerial vehicles one day helping get the mail to where it needs to go, said Jon Hamilton, a Canada Post spokesman. "We are in a competitive space, especially when it comes to parcel delivery and things like that," Hamilton said in an interview. In the post office's 250-year history, the manner of getting letters and parcels to Canadians has evolved from a couple of horses to trains, trucks and planes — so it makes sense to eye lightweight, remote-controlled aircraft, he said.

June 21, 2016

POSTAL/FEDERAL NEWS

USPS Office of the Inspector General: Between a Rock and a Hard Place -- When it comes to postal products that don't cover their costs, the U.S. Postal Service finds itself in a no-win situation. The law that governs the U.S. Postal Service, the Postal Accountability and Enhancement Act (PAEA), requires the Postal Service to make sure all products cover their direct costs. But it also caps the price increase on market-dominant mail classes at the increase in inflation. So what happens when a product falls below costs (a so-called underwater product) and raising its prices means piercing the price cap? The Postal Service has opted not to raise prices above the price cap on those underwater products, saying the PAEA won't allow cap-busting increases. But keeping the products below costs also violates the PAEA.

Our recent audit report looked at all the Postal Service's underwater market-dominant products and its management of strategies to make those products cover their costs. Five of the seven products that failed to cover their costs came up short by a total of \$1.2 billion for FY 2015. These products, including the two products that make up the entire Periodicals Class of mail, have been underwater for 7 years in a row. Our report recommended the Postal Service develop a strategy for managing underwater products. Given these challenges maybe it's fortuitous that the Postal Regulatory Commission (PRC) will begin its review of the Postal Service's rate setting process this year – as mandated by the PAEA. After December 20, 2016, (the 10-year anniversary of PAEA) the PRC will open a docket to review the price cap system for regulating market dominant products – First-Class and Standard Mail, Periodicals, Package Service and Special and Ancillary Services. The PRC will decide if the system is achieving its statutory objectives and, if it is not, will make changes to achieve the objectives.

Federal Register:

- **Postal Regulatory Commission** Postal Rate Changes, 40363–40364 [2016–14564] [[TEXT](#)]
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- **Postal Service** Rule of Procedure Before the Judicial Officer, 40191–40195 [2016–14553] [[TEXT](#)]
-

NATIONAL NEWS

The Nation: Elizabeth Warren has a new crusade, though, and it could fill that vast void: postal banking. Nearly 10 million households qualify as “unbanked,” meaning they don't have any traditional banking products such as a checking account. Another 25 million are “underbanked,” meaning they have an account but still turn to payday loans or similar products. Together, these two groups comprise nearly a third of all households in the country. The so-called alternative products they rely on—payday loans, prepaid debit cards, check-cashing services—cost them almost \$90 billion a year in interest and fees, or an average of about \$2,400 per family. The United States Postal Service would be a much friendlier lender. If the USPS were to offer debit cards, savings accounts, and small-dollar loans, it could save the average underbanked family more than \$2,000 a year. Even if just a tenth of the 12 million people who take out payday loans every year instead got a small loan from the post office, they would save more than half a billion dollars. This notion might sound odd, but it doesn't take much imagination to see how the post office could get into the business.

INTERNATIONAL NEWS

SINGAPORE: [The Straits Times](#): Dr Sascha Hower has resigned as chief operating officer of Singapore Post, making him the latest high profile departure at the postal company. Dr Hower, 38, is leaving to pursue new career opportunities overseas. The German national was previously a junior partner at McKinsey & Company in Dusseldorf.

June 20, 2016

POSTAL/FEDERAL NEWS

USPS Industry Alert: [APPROVED USPS 2017 PROMOTIONS CALENDAR](#)

USPS Industry Alert: The June 20, 2016 issue of the USPS publication "[Mail Spoken Here](#)" is available on this site.

NATIONAL MAIL

[RStreet](#): Reforming the U.S. Postal Service (CATO Institute) 06/29/2016 @ 12:00 pm - 1:00 pm Featuring James Gattuso, Senior Research Fellow, Heritage Foundation; Kevin Kosar, Senior Fellow, R Street Institute; and Chris Edwards, Editor, DownsizingGovernment.org, Cato Institute; moderated by Peter Russo, Director of Congressional Affairs, Cato Institute. [Register](#) If you can't make it to the event, you can watch it live online at www.cato.org/live and join the conversation on Twitter using #CatoEvents.

The U.S. Postal Service has lost more than \$50 billion since 2007 as mail volume has plummeted. House and Senate committees are working on legislation to stem the losses, and a stamp price hike is in the mix. Meanwhile, many European nations have reinvigorated their postal systems by privatizing them and opening them to competition. What challenges does the USPS face, and what changes are being considered by Congress? Should the USPS be moved to the private sector, and should entrepreneurs be allowed to compete?

[International Mailers Advisory Group](#): Canadian news outlets are reporting that a potential labor shutdown at Canada Post could happen as early as July 2. Canada Post has been informing customers that it continues labor negotiations to avert a work stoppage by the Canadian Union of Postal Workers (CUPW), which has been without a contract since January. If an agreement is not reached, a strike/lockout could be called on July 2, 2016. Based on past history, a strike could potentially last up to 10 business days. In the event of a work stoppage, mail and parcels will not be accepted by Canada Post. Mail and parcels within the postal system will be secured and delivered by Canada Post as quickly as possible once operations resume.

Post & Parcel: Siemens Postal, Parcel & Airport Logistics (SPPAL) has added new address-reading technology to the mail sorting systems used in United States Postal Service (USPS) delivery units. Previously, letters in the delivery units were sorted manually by skilled postal workers, who needed to have a good knowledge of the delivery routes in the various districts. According to Siemens: “Sorting was thus dependent on the knowledge of a number of staff members. Integrating Siemens technology directly in the sorting environment at the delivery unit can help avoid such dependencies and their inherent problems.” The automated solution uses Siemens address-reading software to make the process faster and more efficient.

Townhall: U.S. Postal Service executives are looking into what is known as blockchain technology, and, after a cursory examination conducted with the help of a consultant, they have decided to look further. Americans are all for their Postal Service becoming more efficient with less red ink. But it’s hard to trust it to grasp and integrate this technology when so many simpler matters within its control are neglected now.

INTERNATIONAL MAIL

UNITED KINGDOM - SPAIN: Financial Times: Royal Mail is beefing up its operations outside of the UK, buying a Spanish parcels delivery company for €71m. The former state-owned postal operator, which was fully privatised last year when the UK government sold its remaining stake, has bought ASM Transporte Urgente, which it says is Spain’s second biggest express parcels network. Royal Mail already has operations in Spain – through its Spanish subsidiary General Logistics Systems – but said its current business in the country is largely focused on the export market. The acquisition of ASM will strengthen its domestic parcels services in Spain.

SOUTH KOREA: Korea Herald: In the 1960s and '70s, stamp collecting was arguably the most popular hobby among adolescents in South Korea. When new stamps went on sale, hundreds of students formed long queues in front of post offices in large cities from the early morning hours, prompting even police to send officers to maintain order. However, South Korea's oldest hobby related to information and communications has become "an endangered interest" as the advent of the digital era has resulted in a tumble in the use of postage stamps.

BELGIUM: The Brussels Times: The Bringer sharing platform that bpost is planning to launch next week will put delivery companies at risk, it has been said. On Sunday, the CSC-Transom Postes said it would be “the biggest catastrophe ever for the transport sector” in a press release. “After using fake freelancers, we now have ‘anyone can do anything for the lowest possible price’”, the Union said. Through the Bringer system, anyone could transport and deliver packages for bpost, and be paid for it. The price would depend on the distance, weight, and size of the package, and what it contains. Bpost would get a small commission. The Bringer platform will be tested in the Antwerp region, and launched across Belgium if successful.

June 19, 2016

INTERNATIONAL NEWS

MALTA: [Times of Malta](#): A postal museum has been inaugurated by Maltapost in Archbishop Street, Valletta. The Malta Postal Museum seeks to relate the important role played by the postal services in Malta. The objects on exhibit tell the story of Malta's experiences of war, governance, trade, love and politics.

MONGOLIA: [NPR](#): It is tough to be a postman in Mongolia. The country is among the world's most sparsely populated — twice the size of Texas with about one-tenth the state's population of about 27 million. Its roads, even in the capital city of Ulaanbaatar, often lack well-known names, making navigation difficult and street addresses unreliable. To make matters even more complicated, about a quarter of the country's residents are nomadic, with no permanent homes. All of that means it can often be incredibly challenging for the Mongol Post to locate people. Things are looking up, though. The Mongolian government has partnered with a British startup called What3Words to overhaul its postal and address systems. Now, instead of an address — like, say, 1600 Pennsylvania Ave. — each 9-square-meter plot in Mongolia will receive its own three-word identifier.

CANADA: [CityNews](#): Canadians could return from the Canada Day long weekend to find themselves without postal service, according to the union representing letter carriers. Many Canadians began receiving notices in some of their bills this month warning them about a work stoppage at Canada Post and making alternate plans in order to avoid late fees.

June 18, 2016

POSTAL/FEDERAL NEWS

[Federal Register](#): **Postal Regulatory Commission** New Postal Products, 39971–39972 [2016–14457] [\[TEXT\]](#) 39970–39971 [2016–14495][\[TEXT\]](#)

NATIONAL NEWS

[Reuters](#): The U.S. Department of Justice on Friday dismissed all criminal charges against FedEx Corp (FDX.N) in a case where the company was accused of shipping packages from illegal online pharmacies despite repeated warnings, according to a court filing. A Justice Department spokesman declined to comment on the reasons for the abrupt dismissal. In a statement, FedEx spokesman Patrick Fitzgerald said the company has always been innocent and the case should never have been brought.

[Wall Street Journal](#): Podcast listeners are used to hosts stopping mid-program to read advertisements for delivery mattress services, email marketing companies or discount socks. But they aren't used to the entire show being one long ad. Media companies ranging from BuzzFeed to the New York Times to The Wall Street Journal have formed internal units dedicated to creating "sponsored" articles and videos for

brands that feel similar to regular editorial work. But more recently, podcast companies like Gimlet Media, Panoply and Midroll Media are trying their hand at making sponsored shows for big marketers, too. Those podcasts, which can cost a marketer in the mid six figures, are emerging as a new form of revenue as more people tune into on-demand audio shows. About 21% of Americans over the age of 12 have listened to a podcast in the last month, up from 17% last year and 15% in 2014, according to Edison Research.

June 17, 2016

POSTAL/FEDERAL NEWS

Office of the President of the United States: President Barack Obama has announced his intent to nominate the following individual to a key Administration post: **Mark Acton**, Nominee for Commissioner, Postal Regulatory Commission. Mark Acton is a Commissioner on the Postal Regulatory Commission, a position he has held since 2006. Mr. Acton served as Special Assistant to the Chairman of the Postal Rate Commission from 2002 to 2006 and as Staff Director for the Republican National Committee Counsel's Office from 1996 to 2002. Mr. Acton received a B.A. from the University of Louisville and an M.B.A from the University of Maryland.

Federal Register: **Postal Service** International Product Changes: GEPS 6 Contracts, 39721–39722 [2016–14375] [\[TEXT\]](#)

USPS Industry Alert: **Inadvertent Addition of New FSS Zones.** There were 27 new FSS zones inadvertently added to the July 1, 2016 effective L006 Labeling List as referenced in the Labeling List Changes section of the June 9, 2016 Postal Bulletin (22443). To resolve this action, the newly added zones will be removed from the L006 Labeling List effective August 1, 2016. In addition, mailers may take advantage of the 30-day grace period and opt to continue to use the June 2016 L006 list. Alternately, where the July list has already been implemented, software providers and mail service providers may remove the 27 zones from the list where applicable. The 27 zones to be removed are as follows: 02360, 02738-39, 02769-70, 02878, 02921, 07021, 07027, 07054, 07059, 07069, 07076, 07410, 07435, 07438, 07460, 07480, 23120, 23691, 64050-54, 64056, and 64058.

NATIONAL NEWS

Hays Post: U.S. Senator Jerry Moran (R-Kan.), member of the Senate Appropriations Committee, on Thursday supported the fiscal year 2017 Financial Services and General Government (FSGG) Appropriations bill, which includes provisions to continue six-day mail delivery service and rural delivery in addition to prohibiting closure or consolidation of rural post offices through the United States Postal Service (USPS). The legislation was debated by the full appropriations committee and will now await consideration by the full U.S. Senate.

Wall Street Journal: Amazon.com Inc.'s latest pricing move for small items carries big implications. The carrier is sharply reducing the fees it charges merchants to sell items such as USB cables, smartphone

screen protectors and other small, flat items that can fit in envelopes, according to a notice to marketplace sellers reported by Bloomberg News. The new pricing is for companies using the Fulfillment by Amazon “Small and Light” program, which Amazon started last year to jumpstart its distribution business for small merchandisers. It’s also the latest step in a developing battle over small items that feeding more shipments through e-commerce channels. That’s the market that outfits including eBay Inc. and, most notably, Alibaba Group Holding Ltd. are fighting for, particularly as their business becomes more international. Lowering the fees should bring more volume, which is just what Amazon can use as the company ramps up its own logistics network.

American Postal Workers Union: The House Committee on Oversight and Government Reform released a “discussion draft” of a postal bill on June 15. “Any comprehensive postal legislation is critically important to our members,” said APWU President Mark Dimondstein. “We are in the process of reviewing the draft bill. And we will, of course, confer with our sister postal unions. We will share our views once our analysis is complete. “Contrary to some published reports, the APWU has not weighed in on the 118-page draft.”

Fedsmith: The latest version of the postal reform bill making its way through the House of Representatives is better than the Senate bill but needs work, according to National Active and Retired Federal Employees Association Legislative Director Jessica Klement, who noted that the House committee is currently accepting comments on the proposed legislation. “This version of the legislation is an improvement over the original plan but still contains a requirement that postal retirees must enroll in Medicare to maintain their eligibility in the Federal Employees Health Benefits Program. This requirement is still unacceptable to NARFE,” stated Ms. Klement.

Wall Street Journal: Public radio is facing an existential crisis. Some of the biggest radio stars of a generation are exiting the scene while public-radio executives attempt to stem the loss of younger listeners on traditional radio. At the same time, the business model of NPR—the institution at the center of the public-radio universe—is under threat: It relies primarily on funding from hundreds of local radio stations, but it faces rising competition from small and nimble podcasting companies using aggressive commercial strategies to create Netflix-style on-demand content. *[EdNote: Digital disruption can be tough.]*

INTERNATIONAL NEWS

IRELAND: RTE: Stamps will become more expensive from 21 July, with An Post increasing the rates for postal services on both domestic and international letters. The standard domestic letter rate for items up to 100g posted within Ireland will increase from €0.70 to €0.72, while the standard international letter rate up to 100g will increase from €1.05 to €1.10. This will be the second increase in just over a year.

CANADA: CJOB: There are more signs that a postal strike could be coming soon. The Provincial government issued a release Thursday that government cheques and essential mail can be picked up as of Monday June 20th, in person at specific locations. Six thousand rural postal workers haven’t had a

contract since the end of last year, while about 48 thousand city workers have been without a contract since January of this year. Intensive contract negotiations haven't been successful between the Canadian Union of Postal workers, and Canada Post.

June 16, 2016

POSTAL/FEDERAL NEWS

Postal Regulatory Commission:

- **R2016-5 Order No. 3373 - Order on Price Adjustments for Market Dominant Products**

<http://www.prc.gov/docs/96/96296/Order%20No.%203373.docx>

<http://www.prc.gov/docs/96/96296/Order%20No.%203373.pdf>

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Federal Register:

- **Postal Regulatory Commission** New Postal Products, 39291–39292 [2016–14255] [[TEXT](#)]
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- **Postal Service** International Product ChangeGlobal Plus 3 Contracts, 39292 [2016–14213] [[TEXT](#)]
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NATIONAL NEWS

Federal News Radio: "Time to 'push the envelope' for Postal Service reform"

Reader's Digest: "16 Surprising Facts about the Good Ol' U.S. Post Office"

Lexington Institute: As have previous government monopolies, the U.S. Postal Service has been engaging in a pattern of business practices that appear anti-competitive, leveraging postal law to enable it to gain impermissible advantages over the private sector at the expense of consumers. It is not unusual for government monopolies to utilize their monopoly advantages to compete in services already offered by the private sector. The regulator of the monopoly is normally charged by statute with preventing such abuses. Consumers of the Postal Service's monopoly products and services have recently been required to pay increased costs, in terms of higher prices and clearly reduced quality of service. Other indicators, including cost coverage and service quality measures, also point to increased costs charged to monopoly consumers compared with consumers of competitive products. Present accounting practices, including poor public transparency, exacerbate this situation. The Service's Inspector General issued a 2013 management advisory urging the Postal Service to in effect start over and adopt a bottom-up costing methodology, a "Greenfield" approach which would generate more disaggregated and granular data to address cross-subsidy issues. This paper examines how the cost burden assigned to regulated products is disproportionate to that imposed on competitive products, effectively giving the latter a financial boost, if not a free ride. Postal management has seemed intent upon focusing the agency's priorities on competitive products, acknowledging this on numerous occasions, in seeming contradiction with federal

postal statute calling unequivocally for the Postal Service to give highest consideration to the delivery of "important letter mail," not competitive products. Examples of terms of other U.S. monopolies have included legal and regulatory remedies based on structural separations, as well as accounting separations. Among those discussed in this paper include monopolies in the telecommunications, electric utilities and government research sectors. Not just consumer welfare is at stake. The precarious financial condition of the Postal Service makes it all the more essential that its efforts to compete with the private sector can stand alone in the future without increasing risks of requiring multi-billion dollar bailouts from Congress. Regulatory experience from other monopolies suggests more than one way to ensure that result.

Government Executive: House leaders with oversight of the U.S. Postal Service introduced bipartisan draft legislation on Wednesday to overhaul the mailing agency, expressing confidence their measure would finally push Congress to pass a bill that has eluded it for nearly 10 years. The 2016 Postal Service Reform Act, introduced by Reps. Jason Chaffetz, R-Utah, and Elijah Cummings, D-Md., the respective chairman and ranking member of the House Oversight and Government Reform Committee, as well as Reps. Mark Meadows, R-N.C.; Gerry Connolly, D-Va.; and Stephen Lynch, D-Mass., largely mirrors a bipartisan Senate bill that has yet to receive any voting action in the upper chamber. Chaffetz said he "worked closely" with Sens. Tom Carper, D-Del., who authored the Senate bill, and Ron Johnson, R-Wis., who chairs the Homeland Security and Governmental Affairs Committee, in drafting the bill. He called his bill "fairly close to the Senate" counterpart, while predicting the House legislation would move more quickly than the Senate's and motivate the upper chamber to act. Johnson has intimated he would not move on postal legislation until the House showed progress on its own measure. The House committee plans to hold the comment period on the discussion draft open for two weeks before formally introducing the bill and subsequently holding a markup. Lawmakers told stakeholders they optimistically hope to push the bill to the House floor before the seven-week recess that begins July 15.

Dead Tree Edition: Magazine publishers, newspapers, catalogers, and other senders of flat mail are slated to be hit with a backdoor postal rate increase next month. Implemented without hearings, or regulatory approval, the rate hike will be tiny – a small fraction of 1% for most mailers. But the U.S. Postal Service has given mailers good reason to believe this is just the proverbial nose in the camel of the tent.

INTERNATIONAL NEWS

PORTUGAL: **Post & Parcel:** CEO Francisco de Lacerda said that CTT Correios de Portugal plans to expand its recently-launched postal bank. The CTT CEO said that the postal bank was operating in 52 branches when it launched in March this year and it currently has 57 branches. CTT anticipates that it will have expanded to 200 by the end of this year. CTT has a total postal network of around 600 branches, and the roll-out will continue in 2017.

EUROPE: **Post & Parcel:** "World Post & Parcel Awards Winners announced"

ISLE OF JERSEY: Post & Parcel: Jersey Post recorded an annual turnover of £37.7m (US\$53.4m) in its 2015 Annual Report and Accounts, with operating profits rising by 5.5% to £1.3m (US\$1.8m) before pension charges and taxation. The company also recorded an improvement in its customer satisfaction survey, with over 5,000 islanders giving feedback on Jersey Post's services. This showed an increase in all of the key approval rankings for postal workers, the overall service customers received, and the Jersey Post network.



PostCom Members! *The US House Committee on Oversight and Government Reform released a discussion draft of its proposed bipartisan postal reform bill. You can get [a copy of the staff's summary of the bill here](#) and [a copy of the full bill here](#). The Committee is giving postal stakeholders until June 29 to offer comments on the proposal to the committee staff.*



The **Association for Postal Commerce, Major Mailers Association, and Saturation Mailers Coalition** have filed comments in the PRC docket (PI2016-3) concerning the Postal Regulatory Commission's Section 701 report.