



Association for Postal Commerce

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August 2016 Postal News

August 31, 2016

POSTAL/FEDERAL NEWS

Mailers Technical Advisory Committee: Test Period for Postage Assessment Notifications -- 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 2.3 Full Service Verifications via the following link to access information on the assessable metrics: [Publication for Streamlined Mail Acceptance for Letters and Flats](#)

Industry has requested a test of the Postage Assessment notifications. Beginning September 11, 2016, the USPS will begin sending out test notifications to mailers participating in Full-Service. These notifications, which are sent to the VAE for the Business Customer Gateway account, are for test purposes only and no action is required on behalf of the mailers. Industry will be able to test the request review functionality, however, the pay functionality will be disabled. Reference section 6.0 via the following link to access information on the Postage Assessment Process: [Publication for Streamlined Mail Acceptance for Letters and Flats](#).

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. The dial-in for the Mailer Scorecard Hotline Webinar that will be held every Wednesday and Friday at 2PM (EDT) through October 2016. Go

to <https://uspsmeetings.webex.com/uspsmeetings/j.php?MTID=mef6ed0d2d8023631b8a1f19aba177b27>
Alternatively, you can call: Call-in toll-free number: 1-855-8607461 (US) Show global
numbers: <https://www.tcconline.com/offSite/OffSiteController.jsp?cc=4721630566> Conference Code: 472
163 0566

Federal Register: Postal Regulatory Commission *PROPOSED RULES* Periodic Reporting, 59950
[2016–20930] [[TEXT](#)]

USPS Industry Alert: [Significant progress made in restoring service to flooded areas of Louisiana](#)

NATIONAL NEWS

[Lexington Institute](#): *By Frederic Rolando* -- Much of the recent attention to the Postal Service has focused on its finances, and some misconceptions still circulate, such as that of an agency losing billions of dollars a year because of the Internet, making it the victim of ineluctable technological progress. The facts paint a quite different picture. The Postal Service has been operating in the black since 2013, to the tune of \$4.2 billion in operating profit. Its earned revenue exceeded normal business expenses by more than a billion dollars apiece in both fiscal year 2014 and 2015, and through the first three quarters of FY 2016, the operating profit stands at \$1.3 billion. Equally important, that impressive performance stems largely from two structural factors. As the economy continues to improve from the worst recession in 80 years, first class mail revenue is largely stabilizing. Meanwhile, as the Internet drives online shopping, package revenue is skyrocketing, which augurs well for the future. Record worker productivity has played a role as well. There is red ink, but it has nothing to do with the mail and everything to do with flawed public policy.

INTERNATIONAL NEWS

CANADA: **[Canada NewsWire](#):** The Canadian Marketing Association (CMA) welcomes yesterday's tentative agreement which ends months of uncertainty surrounding postal service in Canada. This agreement demonstrates that the Union and Corporation can achieve positive results through the collective bargaining process. Doug Brooks, President & CEO of the Canadian Marketing Association, noted that most importantly for the marketing community is that "the resolution ends ongoing uncertainty surrounding this important piece of Canada's economic infrastructure that businesses rely upon every day, and which continues to be an integral part of the marketing mix."

UNITED KINGDOM: **[Tamebay](#):** Royal Mail have hit their delivery targets for both 1st and 2nd class post for the first quarter of the financial year 2016-17. Royal Mail delivered 93.35 of First Class mail the next working day against a target of 93%. They also also exceeded their Second Class mail target of 98.%, delivering 99.05 of this mail within three working days.

CANADA: **[Times Colonist](#):** Canada Post and its largest union have reached a tentative settlement, averting the prospect of job action this week at the postal service. The tentative agreements must still be

ratified by more than 50,000 postal workers across the country before they become new contracts. "We can't give details of the agreements at this time, but we're pleased that our members don't have to resort to taking job action," Mike Palecek, national president of the Canadian Union of Postal Workers, said in a statement. Canada Post has been bargaining with its employees for more than nine months, but both sides said they were far apart as of late last week on key issues including pension changes for new employees and pay scales for rural postal workers. CUPW has sought to keep defined benefit pension plans for newer workers. The lengthy negotiations were extended twice since the weekend, when a deadline expired on a 72-hour job action notice issued last Thursday by the postal union. The threatened job action was to involve a refusal of overtime in some parts of the country. Labour Minister MaryAnn Mihychuk said in a statement that the agreements were reached voluntarily.

CANADA: [Calgary Herald](#): Labour Minister MaryAnn Mihychuk says Canada Post and the Canadian Union of Postal Workers have reached tentative agreements, averting the prospect of a labour dispute that has loomed over the talks for months.

August 30, 2016

POSTAL/FEDERAL NEWS

USPS Office of the Inspector General: [Image Is Everything](#) -- There's no denying it: Looks matter. Appearance creates a first impression that is hard to erase. And when you're talking about postal retail facilities, how they look is essential to the U.S. Postal Service's business. Unfortunately, too many retail facilities have fallen into disrepair. The Postal Service leases and owns more than 30,000 retail facilities nationwide. A Post Office lobby is the principal business office of the Postal Service and often the only close-up view of postal operations many customers get. Its appearance directly affects the Postal Service's public image.

Our recent audit report on the conditions in retail facilities in the Capital Metro Area – the first report in a series on all seven U.S. Postal Service areas – found that many of the 20 buildings we inspected (the Capitol Metro Area has 2,600) had appearance problems, roof and lighting issues, security concerns, and potential Occupational Safety and Health Administration (OSHA) violations related to building safety and security. We found some deficient conditions in leased facilities were partly due to landlords failing to perform or adequately complete requested repairs. Also, local management didn't always give high priority to cleaning, general maintenance, or repairs, nor to concerns for health, safety, and security. Local customer complaints were not logged, and posters about safety and security were not always displayed at facilities.

Our report lays out some specific recommendations for working to improve not only the appearance of retail facilities, but also their safety and security. We noted that doing so would not only improve USPS's image and customer satisfaction, it would also boost employee morale. We have projects under way in

the other regions and once we are done with retail condition assessments, we will move on to plant assessments.

NATIONAL NEWS

Wall Street Journal: Office Depot Inc. said FedEx Corp. shipping services will be available at all of the office-supplies retailer's more than 1,500 U.S. retail locations starting next month. The Boca Raton, Fla., company said it is expanding its relationship with FedEx to all of its Office Depot retail locations. The retailer, formed through the merger of Office Depot and OfficeMax in 2013, already offers FedEx services at its OfficeMax chain and has had a relationship with the shipping giant since 2009.

Washington Post: The U.S. Postal Service motto about delivering the mail in snow, rain, heat and gloom of night left out an exception — thieving postal employees. That's why information from the U.S. Attorney's Office for the Central District of California is so eye-catching. Thirty-three people, mostly postal employees, have been charged with a variety of offenses, including mail theft, failure to deliver mail and embezzlement. As the California arrests show, criminal activity among those we trust to handle and deliver our mail is not unknown. During the six-month period that ended March 31, "we completed 2,069 investigations that led to 391 arrests and \$21.1 million in fines, restitutions, and recoveries, \$5.28 million of which was turned over to the Postal Service," Tammy L. Whitcomb, USPS acting inspector general, said in her Semiannual Report to Congress. Stealing mail is bad enough, but it also leads to bigger crimes.

INTERNATIONAL NEWS

CANADA: Toronto Star: E-commerce giant eBay launched a campaign Monday calling on the prime minister to legislate an end to the Canada Post labour dispute, even as the union pushed back the threat of job action by yet another day.

CANADA: CTV: Canada Post and the Canadian Union of Postal Workers agreed late Monday to extend a mediation effort aimed at resolving their labour dispute by another 24 hours. Both Canada Post and CUPW said late Monday that both sides would continue to negotiate with the help of a special mediator into Tuesday.

CANADA: Canada NewsWire: Job action in the form of a refusal of overtime will begin in the province of British Columbia and in the Yukon on Tuesday morning if no settlement can be reached, according to the Canadian Union of Postal Workers. "Don't panic. We'll still be delivering the mail," Mike Palecek, national president of the CUPW, wants Yukon and BC residents to know. The refusal of overtime will rotate to different provinces and territories one day at a time, and is expected to cause minimal disruption to mail service. It's a major negotiations issue for the union, which has been demanding that Canada Post staff its workforce properly and build routes that match scheduled hours, instead of overburdening workers and

making them stay on the job longer. Postal workers can be forced back and severely disciplined for refusing overtime. The union wants Canada Post to create more jobs instead of relying on overtime.

CANADA: [CBC](#): While many small businesses use Canada Post for basic bill paying and shipping products, they also rely on the postal service for filing government taxes and other payments. Braun-Pollon is warning businesses that taxes must still be paid, whether Canada Post is working or not. "We're really encouraging business owners to take precautions and to arrange backup plans," she said.

AUSTRALIA: [Thinking Australia](#): Moving to Australia: A two-speed letter delivery system was introduced by Australia Post in January this year but critics say it now costs more to send a letter and takes longer to arrive. The basic postage rate has increased from 70 cents to \$1. Using the new Regular letter service, Priority mail now costs \$1.50. Australia Post pledges to deliver Priority letters within one to four business days while Regular mail can now arrive up to two business days afterwards which means mail could take over a week to reach its' destination. Australia Post has announced a profit of \$36 million, driven by its booming parcel business and controversial reforms to letter delivery.

August 29, 2016

NATIONAL NEWS

[Linn's](#): "Wow!" That was the reaction of a former postal executive to the recent disclosure that the financially troubled United States Postal Service has been funding a TV drama aimed at children. No other federal agency is directly underwriting programs for commercial television, said the Deadline Hollywood website. According to Deadline Hollywood, the USPS has spent \$5.4 million since 2014 on a program featuring postal inspectors and could spend millions more on the show, now in production for its second season on CBS. Word of the funding shocked mail industry officials in Washington because the USPS has been proclaiming itself in dire financial shape for six years, unable to make millions in required payments to the federal treasury.

INTERNATIONAL NEWS

CANADA: [iNews 880](#): A federal mediator has been speaking with Canada Post and its union since Friday in an effort to reach a deal where wages and pensions continue to be the main sticking points. Both sides have been at the table for two days now since CUPW issued a 72 hour strike notice on Thursday night where they took aim at Canada Post stating that they were trying to impose a labour disruption after not agreeing to bargain in good faith, although they have been trying to hammer out a deal for months now. According to the Canadian Union of Postal Workers job action could go into effect by 12 a.m. Monday, if there is no deal reached, but that won't halt mail delivery, as regular service will continue. CUPW says if job action does indeed take place, its members would refuse to work overtime beginning in Alberta and the Northwest Territories.

August 27, 2016

POSTAL/FEDERAL NEWS

USPS Link: USPS is updating the terminology customers see when they go online to track packages, part of ongoing efforts to simplify Postal Service package tracking. When customers go to usps.com to check the status of a package, the term “Shipping Partner” is used when another business or shipping company has possession of the parcel. Based on consumer testing, this term frequently left customers confused about the status of their shipment. Beginning Aug. 28, if a package is coming from one of the Postal Service’s business partners or shipping consolidators, that company’s name will appear alongside the term “Shipping Partner” to provide additional clarity about the status of the package. The phrase “USPS awaiting item” will also be added to some scan events to show that USPS is not possession of the shipment.

NATIONAL NEWS

The Orange County Register: Nearly three dozen people, including one who worked in Placentia, were charged in a Department of Justice sweep targeting suspects who have stolen mail, embezzled or failed to deliver thousands parcels through the postal service

Wall Street Journal: In the 19th century the U.S. was still largely a rural nation. Farmers had to venture to their local post office, almost always at their country store, to pick up their mail. Beginning in 1896, however, Congress enacted Rural Free Delivery, meaning that mail and small packages would be dropped directly at each residence. Then came parcel post in 1913, providing that large packages—the limit eventually rose from 11 pounds to 50 pounds—could be delivered to city and farm. Congress had been reluctant to provide any package service for rural customers, because mail was fully subsidized by taxpayers, no matter the losses. Further, there were already four major private firms delivering packages, including the still well-publicized (at least in old movies and songs) Wells Fargo Express. But catalog companies, in particular Montgomery Ward and Sears Roebuck, saw an enormous market among isolated farmers. They pressured Congress to institute parcel post, no matter that the prices charged for big packages wouldn’t be anywhere near commensurate with actual costs.

The Smoking Gun: A U.S. Postal Service employee stashed nearly 50,000 pieces of undelivered mail in her California home, according to a criminal information filed against the worker. Federal investigators charge that Sherry Watanabe hid “approximately 48,288 pieces of United States mail” in her apartment. The mail was intended for delivery to customers along Watanabe’s route in Placentia, an Orange County city. Watanabe, 48, was named in a one-count felony criminal information filed Wednesday in U.S. District Court in Los Angeles. In a plea agreement with prosecutors, Watanabe has admitted to the mail hoarding. According to the plea agreement, Watanabe was hired as a mail carrier in June 2006, and she began collecting “large quantities of such mail” in her Placentia residence in 2011. While the undelivered mail was seized by law enforcement agents in late-2013, court filings do not indicate why more than two years passed before Watanabe was charged. Though Watanabe faces a statutory maximum of three

years in custody, prosecutors have agreed to recommend that a term of imprisonment not exceed “the low end of the applicable Sentencing Guidelines range.”

INTERNATIONAL NEWS

CANADA: [NewsTalk 610](#): The union representing most Canada Post employees will be in a legal strike position by Monday, if mediated talks between the two parties fail. The federal government has appointed Toronto lawyer and author William Kaplan to try to resolve the conflict that's been simmering for months. The Canadian Union of Postal Workers says any job action would initially consist only of some members refusing to work rotating overtime.

August 26, 2016

POSTAL/FEDERAL NEWS

Postal Regulatory Commission:

- **Workers' Compensation and Estimation Report for Fiscal Year 2015**
<http://www.prc.gov/docs/96/96995/Copy%20of%20WC%20FY15%20PRC%20Report%20%209-30-2015.xlsx>
<http://www.prc.gov/docs/96/96995/LETTER%20 WCER%20FY%2015 20160826125156.pdf>
-
- **PI2016-1 Order No. 3490 - Order Enhancing Service Performance Reporting Requirements and Closing Docket**
http://www.prc.gov/docs/96/96994/AttachA_ExclusionReasonBreakdown.xlsx
http://www.prc.gov/docs/96/96994/AttachB_TotalMeasuredUn-MeasuredVol.xlsx
<http://www.prc.gov/docs/96/96994/Order3490.docx>
<http://www.prc.gov/docs/96/96994/Order3490.pdf>
-
- **PI2015-1 USPS-LR-PI2015-1/4 - USPS Proposed Internal Service Performance Measurement System: PowerPoint Slides Presented at August 26, 2016 Technical Conference**
<http://www.prc.gov/docs/96/96997/Preface%20LR%204%208%2026%202016.docx>
<http://www.prc.gov/docs/96/96997/USPS.Aug26.2016.Tech.Conference.pdf>
-

Federal Register: Postal Regulatory Commission *New Postal Products*, 58982–58983 [2016–20503]
[\[TEXT\]](#)

INTERNATIONAL NEWS

MALAYSIA: [The Star](#): Pos Malaysia Bhd's net profit for the first quarter ended June 30, 2016, rose 40.1% to RM31.84mil from a year earlier, due to higher profits generated from courier segment. The postal service provider, which will soon become a DRB-Hicom subsidiary, told Bursa Malaysia that the courier business growth was driven by demand in e-commerce and online business.

August 25, 2016

POSTAL/FEDERAL NEWS

DMM Advisory: [Reminder on Shipping Hoverboards](#)

Postal Regulatory Commission:

National Trial Balance, July, 2016 (FY 2016); and Statement of Revenue and Expenses, July, 2016 (FY 2016)

http://www.prc.gov/docs/96/96982/Letter_NTB_SRE_July2016_20160824164432.pdf

[http://www.prc.gov/docs/96/96982/National%20Trial%20Balance%20-%20Redacted,%20%20July,%202016%20\(FY%202016\).xls](http://www.prc.gov/docs/96/96982/National%20Trial%20Balance%20-%20Redacted,%20%20July,%202016%20(FY%202016).xls)

[http://www.prc.gov/docs/96/96982/Statement%20of%20Revenue%20and%20Expenses%20-%20Redacted,%20%20July,%202016%20\(FY%202016\).xls](http://www.prc.gov/docs/96/96982/Statement%20of%20Revenue%20and%20Expenses%20-%20Redacted,%20%20July,%202016%20(FY%202016).xls)

NATIONAL NEWS

[Wall Street Journal](#): American mutual funds estimate they spend more than \$300 million every year chewing up 2 million trees to print and send investors 440 million densely written reports—which many recipients promptly toss out unread. So last year, regulators proposed what to them was an obvious adaptation to the age of Venmo, bitcoin and mobile banking: make it easier for funds to provide certain records electronically. But what was logical progress to some loomed as a menace to others—notably the American Forest & Paper Association and the Envelope Manufacturers Association. The two industries' jointly funded group Consumers for Paper Options rallied retiree and consumer groups to join their campaign, decrying what they call the government's "rush to digitize." They persuaded a bipartisan coalition of politicians—especially from the paper-heavy state of Maine—to threaten legislation blocking the rule. They prevailed, beating back the forces of the 21st century, at least for a few more years. At a mid-July public hearing on the issue, Mary Jo White, the chairman of the Securities and Exchange Commission, noted the proposal had drawn "considerable attention." She ultimately decided to drop the plan, according to people familiar with the matter. A formal announcement is planned this fall.

[Wall Street Journal](#): A top House Republican will release a new proposal in coming days that attempts to resolve the long-running dispute among retailers, state governments and online retailers over how to tax purchases made across state lines. The discussion draft from House Judiciary Committee Chairman Bob Goodlatte (R., Va.) would introduce a new legal framework for cross-border sales, largely replacing the current system that relies on whether a seller has a physical presence in a state. Instead, sales would be

taxed according to the tax base of the retailer and a single tax rate chosen by the consumer's state, a Judiciary Committee aide said.

New Hampshire Union Leader: New Hampshire taxpayers would be well served with Jim Adams on the Executive Council. Adams would restore accountability to the council, no matter who voters choose as New Hampshire's next governor. Adams is a U.S. Navy veteran, and chairman of Granite State Taxpayers. But his chief qualification for the job is his experience as chief of staff for the U.S. Postal Service. During six years in that post, Adams helped save \$14 billion, instituted zero-based budgeting, and tackled the Postal Service's unacknowledged pension liabilities. Closer to home, he oversaw postal operations across New Hampshire and Vermont, managing 7,000 employees and a billion dollar annual budget.

Adweek: Fedex has a highly recognizable, iconic logo, but the color scheme across the company's many business divisions varied—until now. Today, FedEx announced that it's consolidating its look by turning all of its logos purple and orange. The simplified visual identity was created after FedEx's research showed that purple and orange is one of the most recognized representations of the logo by consumers, according to Patrick Fitzgerald, SVP of integrated marketing at FedEx.

Roanoke Times: Casey: An open letter to the postmaster general of the United States -- "Please come to Roanoke for a town hall meeting with postal customers, and listen to their hundreds of stories about mail-service woes. We'd like some acknowledgment of the problems. And we want to know how you will fix them."

INTERNATIONAL NEWS

CANADA: **My Prince George Now:** A Special Mediator has been called in to end the squabble between Canada Post and it's Union. President of Local Union 812, Tami Brushey says the union has extended their right to negotiate a 24-hour strike mandate. "Our national executive board has agreed to the extension, we're ready to keep negotiating that's what were wanting to do and the ball is now in Canada Post's court." Federal Labour Minister MaryAnn Mihychuk expects both sides to hammer out an agreement. Other issues include a new pension structure for new workers, and pay equity for rural postal workers, who make nearly 30% less than their urban counterparts.

GUATEMALA: **Nearshore Americas:** Guatemala's postal agency, El Correo de Guatemala, has suddenly suspended service, leaving more than 600 of its employees in limbo. The sudden service stoppage is the result of years of wrangling between the government and the mailing service agency over the extension of its contract. In 2014, El Correo requested that the government extend its contract to five more years. After putting the proposal on hold for two long years, in April this year the Congress voted not to extend the contract.

August 24, 2016

NATIONAL NEWS

Lexington Institute: "Collect on Delivery: \$54 Billion in Unfunded Postal Retiree Health Benefits?"

Washington Post: A new government report released Tuesday blames lower-than-expected tax revenue for a spike in this year's budget deficit to \$590 billion. That's an increase of about one-third over last year's tally. The Congressional Budget Office is also lowering its projections of economic growth over the next several years, in part because of the disappointing results so far in 2016. The agency predicts 2 percent growth in the economy this year. Over 2019-2020, it sees gross domestic product growing just 1.7 percent.

American Postal Workers Union: In a rousing speech to convention delegates, President Mark Dimondstein outlined the challenges and possibilities facing APWU members.

DC Velocity: According to the data, FedEx and UPS each increased their list rates by a total of 91.5 percent on shipments weighing between one and 10 pounds; parcels weighing within that range account for a large share of the companies' ground traffic. For parcels weighing between one and 25 pounds, the increases were an identical 81.5 percent, the data show. For all ground parcel shipments, the increases were lower at 38.5 percent, but still identical, according to the data. The healthy pace of price increases reflects the tremendous leverage the two firms have enjoyed through the years over business-to-business parcel traffic. FedEx and UPS do not have nearly the dominance over business-to-consumer traffic, where they compete most prominently with the U.S. Postal Service and, increasingly, with Seattle-based e-commerce behemoth Amazon.com Inc.

INTERNATIONAL NEWS

CANADA: CBC: Residents of the Maritimes who like to shop from U.S. retailers online are getting their purchases one day earlier through the United Parcel Service, according to the company. "E-commerce is growing substantially at 16.1 per cent in Canada and that's in the top five of the world, so this is something that lines up beautifully to give our customers what they want ... We're giving them more value," said UPS international marketing manager David Rosenberg. Starting last month, the company reorganized its shipping routes so customers in Prince Edward Island, Nova Scotia, New Brunswick and Quebec now get their U.S. shipments within one to six business days on average, according to UPS.

CANADA: CBC: If you got a speeding ticket from an automated traffic camera in the past couple of months but have not received it in the mail, the mystery is now solved. Calgary police have not mailed out these tickets since June fearing that a Canada Post labour disruption might leave the ticket in limbo. That doesn't mean that you are free and clear though, as police are now moving to a courier service to deal with the backlog. "Under normal circumstances, automated enforcement are delivered by Canada Post, however, [a] court order will now allow the service to start using couriers to ensure secure delivery while there is still the potential for service disruption," police said in a statement Tuesday.

August 23, 2016

POSTAL/FEDERAL NEWS

USPS Industry Alert: FOX VALLEY Clarification & ALBANY Temporary Redirection -- Attention FAST Users: Please see below for information related to FOX VALLEY and a notification of a temporary redirection at the ALBANY facility.

ITEM 1: FOX VALLEY -- Background/Issue. There is a potential entry point issue for the 601 Area (Carol Stream – Fox Valley – Metro Surface Hub facilities). The past 3 drop shipment product files (July, August, September) provide different answers for where to take 601 mail (Carol Stream, Fox Valley, Metro Surface Hub). **Operations/MDF Solution:** Per USPS Operations, FOX VALLEY is the preferred facility to ship to starting 8/1. However, USPS will ship any mail to FOX VALLEY if it is already going to one of the other two facilities. FOX VALLEY will accept 8125s listing the other two facilities. FOX VALLEY (NASS CODE: 605; Dropsite Key: EW13018) is located at 3900 GABRIELLE LN, Aurora, IL 60599. ***The August 1st Mail Direction Files (w/ September 1 effective dates) have been reproduced to correct this issue and are available for download in FAST***§ The grace period for the 601 redirections has been extended to 10/1. **eInduction Solution.** This issue may cause eInduction misships. BMS analysts have been notified of the issue. Misship data related to this issue will be omitted from the monthly assessments.

ITEM 2: ALBANY TEMPORARY REDIRECTION. Background/Issue. ALBANY P&DC (NASS CODE: 120) is undergoing a machine upgrade, which will impact Standard Flats processing from August 29, 2016 – September 23, 2016. USPS is implementing a temporary redirection during this time period. **Operations/MDF Solution.** Standard Flats mail should be redirected to SYRACUSE (for processing during this time period. SYRACUSE (NASS CODE: 130, Dropsite Key: EV16465) is located at 5640 E TAFT RD, SYRACUSE, NY 13220. ***The August 1st Mail Direction Files (w/ September 1 effective dates) have been reproduced to correct this issue and are available for download in FAST*** **eInduction Solution.** This issue may cause eInduction misships. BMS analysts have been notified of the issue. Misship data related to this issue will be omitted from the monthly assessments.

Federal Register:

Postal Service

Priority Mail and First-Class Package Service Negotiated Service Agreement, 57632 [2016–20043]
[\[TEXT\]](#) 57632 [2016–20045] [\[TEXT\]](#)

Priority Mail Express and Priority Mail Negotiated Service Agreement, 57632 [2016–20044] [\[TEXT\]](#)

USPS Office of the Inspector General:

[Dirty Little Secrets of Advertising](#)

Forget True Detective. A noir-ish saga is unfolding in the advertising world, complete with favoritism, kickbacks, and shady deals. Who wants the movie rights? A new report from the Association of National Advertisers (ANA), which represents many of the largest advertisers, found that numerous ad agencies are not always operating in the best interest of the client. The report cuts across all media channels but focuses a great deal on the world of digital advertising and its opaque ethics.

For instance, companies and organizations hire ad agencies to design and execute the best possible advertising strategy. But agencies often direct client funds toward a particular media supplier from which the agency receives a rebate, without the client knowing. Agencies also direct client money to companies with which the agencies are affiliated, when more affordable services may be available.

For now this practice – and many other questionable practices noted in the report – is perfectly legal, though perhaps not for much longer. The ANA report is just the latest among other troubling reports concerning the prevalence of misleading and fraudulent practices. As a result, some advertisers are reportedly “tapping the brakes” on their digital advertising, and Congress is beginning to take notice. Two U.S. senators recently asked the Federal Trade Commission to investigate digital advertising fraud.

While ad mail consultants sometimes similarly direct client funds to, say, an affiliated printer, ad mail as a whole operates in a much more transparent environment. A regulator not only reviews service standards and on-time delivery, but also the pricing of postal products. Congress also keeps a close eye on mail service and pricing. In short, ad mail practices and results are more easily eyed and measured, meaning it's not so hard to tell if you are getting what you paid for.

NATIONAL NEWS

[**MPBN**](#): For years, residents of Swans Island and Frenchboro have depended on a mail carrier who not only brought them letters and packages, but other necessities from the mainland, like food and medicine. But as of this spring, that mail carrier's contract with the postal service ended over a dispute about how he carried the mail with other freight items. Some residents fear the loss of the contract to their longtime carrier now jeopardizes other essential island deliveries and members of Maine's congressional delegation have gotten involved.

INTERNATIONAL NEWS

SWITZERLAND: The Local: Robots will be seen on the streets of the Swiss capital next month as Swiss Post signs up to trial parcel delivery by post-bot. The Swiss national postal service, which has already trialled drones and self-driving postbuses in its quest for new technology, on Tuesday announced a new partnership with UK-based start-up Starship Technologies, set up by Skype co-founders Ahti Heinla and Janus Friis. Starship's fleet of autonomous robots are designed to carry out local deliveries within a 5km radius and have already been seen on streets in the UK and Germany since trials began last November. From this September the robots will be trialled with dummy parcels in three Swiss locations – the capital, Bern, and the towns of Biberist in the canton of Solothurn and Köniz in the canton of Bern. The aim is to assess the functionality of the post-bots with a view to adopting the technology for real next year, should all go to plan.

NORTHERN IRELAND: Post & Parcel: Whistl has been awarded the first Northern Ireland Government postal contract following a competitive process run by the Department of Finance's Central Procurement Directorate (CPD). The contract, lasting up to five years, covers a number of government and public sector bodies, including those responsible for education, health, finance, colleges and transport. Whistl will collect, sort and transport mail to Royal Mail for doorstep delivery.

August 22, 2016

POSTAL/FEDERAL NEWS

Postal Regulatory Commission:

- **RM2016-10 Petition of The United States Postal Service for the Initiation of a Proceeding to Consider Proposed Changes in Analytical Principles (Proposal Two)**
<http://www.prc.gov/docs/96/96935/Petition.Prop.Two.RM16.10.pdf>
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- **RM2016-11 Petition of The United States Postal Service for the Initiation of a Proceeding to Consider Proposed Changes in Analytical Principles (Proposal Three)**
<http://www.prc.gov/docs/96/96937/Petition.Prop.3.RM16.11.IOCS.Cluster.pdf>
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- **RM2016-12 Petition of The United States Postal Service for the Initiation of a Proceeding to Consider Proposed Changes in Analytical Principles (Proposal Four)**
<http://www.prc.gov/docs/96/96940/Petition.Prop.4.RM16.12.Hghwy.pdf>
<http://www.prc.gov/docs/96/96940/Research.Report.Proposal.Four.pdf>
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NATIONAL NEWS

Internet Retailer: "Boxes and bites: E-commerce boom brings more risk for delivery drivers"

Truth-Out.org: They didn't end three-tier in a single blow. But in a new contract covering 200,000 members, the American Postal Workers Union made serious headway and fended off most concessionary demands, including the Postal Service's effort to create yet another tier. The union entered bargaining with little obvious leverage. It was up against a management that's been openly collaborating with postal unions' Congressional foes to push a frenzy of cuts -- slashing delivery standards, shutting down mail plants, privatizing work, and selling off post offices to real estate sharks. Postal workers can't legally strike. If the union and management don't reach a deal, an arbitrator writes the contract -- which is what finally happened. Arbitrator Stephen Goldberg announced the results July 8. He stopped short of eliminating the three-tier system, as the union had proposed. But the new contract shrinks the number of bottom-tier workers and improves their situation, while defending the traditional raises and no-layoff protection for the two upper tiers.

INTERNATIONAL NEWS

CANADA: **Hamilton News:** Hamilton politicians endorsed the idea of Canada Post operating a postal banking service that would help the vulnerable and working poor receive financial assistance. Postal banking would provide financial services, including loans and credit cards, within Canada Post's 6,300 postal offices in Canada.

Jersey: Jersey Post has confirmed that it has finalised the purchase of Fraser Freight, following a successful regulatory approval process. As previously reported by Post&Parcel, Jersey Post announced its intention to buy Fraser Freight last month. The postal operator said that the acquisition of Fraser Freight represented an opportunity to expand its current business operation "both within, as well as outside of the Channel Islands".

THAILAND: **The Nation:** Thailand Post to raise the basic postal-service fee and money-transfer fee to reflect its actual operating costs and boost its efficiency and is seeking permission for the hike from the Information and Communications Technology Ministry. The state agency said that the last time it raised these prices was in 2004. It said the fees should be raised in line with the consumer price index (CPI).

August 21, 2016

NATIONAL NEWS

The Roanoke Times: The U.S. Postal Service's Office of Inspector General has opened up a web page for comments about mail service in the Roanoke region. It's part of an audit it's doing regarding the partial consolidation of mail processing operations in Roanoke with the Greensboro mail processing and distribution center. And it's drawing scores of comments from unhappy customers.

August 20, 2016

POSTAL/FEDERAL NEWS

USPS Industry Alert: The Postal Service has published updates on the situation facing postal facilities in [Louisiana and Mississippi](#) (floods) and [California](#) (fires).

Postal Regulatory Commission: *New Postal Products*, 56716–56717 [2016–20003] [\[TEXT\]](#)

August 19, 2016

POSTAL/FEDERAL NEWS

Postal Regulatory Commission:

Mailing Services (Market Dominant Products) Revenue, Pieces & Weight by Classes of Mail and Special Services for Quarter 3, FY 2016, Compared with Corresponding Period of FY 2015

http://www.prc.gov/docs/96/96925/Fy2016Q3_RPWsummaryreport_public.xls

http://www.prc.gov/docs/96/96925/Letter_RPW_Q3FY16_20160819153032.pdf

Attention PostalOne!® Users: *PostalOne! Release 44.0.1.0* will deploy on Sunday, August 21, 2016 from 4:00 AM to 8:00 AM CT. The *PostalOne!* system will be available during this time.

USPS Office of the Inspector General:

[Market Dominant Billing Determinants: Package Services](#)

Background. The U.S. Postal Service prepares billing determinant spreadsheets to report revenue, volume, and weight for the five market dominant classes of mail: Package Services, Standard Mail, First-Class Mail, Periodicals, and Special Services. One type of billing determinant — Package Services — is composed of four products: Alaska Bypass Service, Bound Printed Matter Flats, Bound Printed Matter Parcels, and Media and Library Mail. The Postal Service obtains data for Package Services billing determinants primarily from data sources that include prices, revenue, pieces, mail weights, and mail shapes. 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 (FY) 2014 and 2015 Package Services billing determinant spreadsheets and the accuracy and completeness of the data.*

What The OIG Found. Opportunities exist to improve the accuracy of Package Services billing determinant data calculations; however, *we found no issues with the completeness of the data.* FYs 2014 and 2015 Bound Printed Matter Parcels spreadsheets contained incorrect revenue totals, because the data was not correctly imported. These errors existed because the Postal Service used manual processes to create the spreadsheets, and controls over the Package Services billing determinant practices were inadequate. FYs 2014 and 2015 Alaska Bypass billing determinant spreadsheets were submitted to the Postal Regulatory Commission using FYs 2012 and 2013 revenue, pieces, and weight data. This data was used because the Postal Service could not obtain more current data in time to prepare the spreadsheets. The manual preparation and complexity of the Package Services billing determinant spreadsheets create a risk of data entry errors. Although these errors did not impact compliance with price cap requirements, future billing determinant errors might. Additionally, without accurate billing determinant spreadsheets, Postal Service management could make business decisions based on inaccurate information. The Postal Service 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 a higher level internal review process.

What The OIG Recommended. We recommended management consult with the Postal Regulatory Commission to determine if the FYs 2014 and 2015 Package Services billing determinants should be refiled due to the identified errors. Also, we recommended management explore the cost-benefit of fully automating the process or using Microsoft Excel tools to prepare billing determinant spreadsheets. Lastly, we recommended management finish validating that all Package Services billing determinant spreadsheets are produced using documented and repeatable processes to minimize errors and include a higher level internal review.

Federal Register: Postal Regulatory Commission *New Postal Products*, 55495–55496 [2016–19764]
[\[TEXT\]](#)

NATIONAL NEWS

WLS: The I-Team uncovered a new elaborate scam: thieves using the post office to steal your identity. A local woman said a loophole led to her being victimized. The U.S. Post Office has convenient ways for us to change our address or to put mail on hold, but the I-Team has discovered that those services can also put you at risk

KERO: Congressman Kevin McCarthy will be joining Bakersfield postal leaders to combat mail theft in the city. McCarthy's office announced he will join Bakersfield Postmaster Lynda LaForce and postal service inspectors on Friday, August 19th to talk about the steps that are being taken to combat mailbox destruction and mail fraud. They will also talk about what is being done to support those who have been impacted by the trend.

Washington Post: The acting manager of two D.C. post offices and two of his employees took bribes in exchange for illegally delivering packages of marijuana, according to an indictment filed Thursday in D.C. federal court. Deenvaughn Rowe is charged, along with letter carriers Kendra Brantley and Alicia Norman, with bribery and distribution of a controlled substance. All three were arrested Thursday. According to the indictment, Rowe would monitor the arrival of marijuana packages at the Lamond Riggs and River Terrace post offices. He would then instruct Brantley and Norman to meet individuals, who would offer cash in exchange for the packages, on the street during their routes. They gave the cash to Rowe, according to the indictment. Between September 2015 and August of 2016, Rowe allegedly deposited \$31,485 in bribes into his bank accounts.

WBRZ: The Postal Service says people who live on accessible roads in Denham Springs can expect mail delivery to resume as soon as Thursday. Customers in the 70706 zip code were directed to pick up their mail at the Baton Rouge Mail Processing Plant on Bluebonnet Road after recent flooding devastated the community. Now, some service is returning with more routes being added as conditions improve. P.O. Box customers in Denham Springs were instructed to continue to pick up their mail at the Bluebonnet site. Customers are still able to pick up their mail with proper identification there. Individuals needing retail services can visit the Denham Springs Post Office each day from 10 a.m. to 2 p.m. and utilize a mobile retail unit on site.

INTERNATIONAL NEWS

CANADA: Toronto Star: Canada Post has fully embraced the parcels business as a way to compensate for a steep drop in letter mail, but it now worries about potential direct competition from retailers for shipping. "Our largest parcel customer could deliver their own goods," said Canada Post CEO Deepak Chopra during the post office's annual meeting in Ottawa on Friday, as executives of the crown corporation presented 2015 financial results. Chopra showed a slide of Amazon's new Boeing 737 Prime Air, the first of 40 planned by the giant ecommerce company, as a way to bypass traditional shippers, ensuring fast delivery at lower costs. Amazon is also looking at using drones to make deliveries. Another threat is the fact that more Canadian retailers are offering an "in-store pickup" option for online orders, where customers do the legwork to get their goods and avoid shipping charges, Chopra said.

NEW ZEALAND: Radio New Zealand: Postal voting is hampering the Auckland Council's bid to lift voter turnout in October's local body elections, it claims. The government this year decided against allowing any trials of online voting, something which the council had lobbied to trial. "Postal voting is not helping in an age when we do everything online and digitally. For people to have to revert to pen and paper and then find a post box is not ideal, " she said.

August 18, 2016

POSTAL/FEDERAL NEWS

USPS Office of the Inspector General:

PostalOne!-Business Customer Support System Availability

Background. Nearly 584,000 business mailers and business mail acceptance employees use the U.S. Postal Service's PostalOne!-Business Customer Support System (PostalOne!-BCSS) to enter postage statements, deposits, and other financial transactions needed to process and manage business mail. PostalOne!-BCSS is a complex system that interfaces with 45 other Postal Service systems. During fiscal year (FY) 2015, the Postal Service processed about 14 million transactions and generated over \$40.9 billion in revenue through Postal One!-BCSS, which was a majority of the \$68.9 billion of total Postal Service revenue. Management's goal is to have the system available to users 99.95 percent of the time. The chief information officer (CIO) scorecard provides the status of system availability. Management monitors PostalOne!-BCSS availability by continuously checking the system status for internal and external user access. Outages can result from application, hardware, configuration, or network issues. According to the PostalOne!-BCSS contingency plan, the Postal Service should notify all users and instruct them to use a manual contingency plan when the system is unavailable; which requires data to be subsequently entered when the system becomes available. The Postal Service has contracts with outside vendors to provide monitoring and support for PostalOne!-BCSS. *Our objective was to determine the effectiveness of support for PostalOne!-BCSS operational availability.*

What the OIG Found. Management is not effectively supporting and managing PostalOne!-BCSS availability and needs to improve the process for notifying all users of PostalOne!-BCSS outages. Based on reported outages, the Postal Service also does not maintain consistent records to track outages and the unavailability of PostalOne!-BCSS. PostalOne!-BCSS did not consistently meet its daily 99.95 percent availability goal during FY 2015. We identified 22 reported instances where the daily average availability percentage ranged from 76.03 to 99.92 percent. Additionally, the CIO scorecard did not accurately reflect actual system availability status because it excluded blackout maintenance hours, which should have been included according to best practices. Specifically, we reviewed 61 of the 252 FY 2015 CIO scorecards that reflected 100 percent availability, and determined the reported availability percentages would have been significantly lower if the blackout maintenance hours were included in the calculations. In addition, downtime for PostalOne!-BCSS exceeded recommended industry best practices by about 1,135 hours. We also determined an effective communication process was not in place for notifying all users when PostalOne!-BCSS is unavailable.

The PostalOne! Help Desk notified less than 1 percent of users in FY 2015 when the system was not available. Finally, required information technology clauses related to monitoring and support were not included in PostalOne!-BCSS contracts. These issues occurred because there is no formal process for mitigating and resolving systemic issues affecting PostalOne!-BCSS availability and because management does not execute all testing phases of software development. We recommended management execute all testing phases of software development in a prior audit report; therefore, we did not make a recommendation in this report. Further, management does not follow industry best practices when calculating PostalOne!-BCSS availability percentages; formally define system status terminology

(downtime, uptime, outages, and availability) enterprise-wide; or have a reliable method for tracking availability to assess the impact of downtime. Finally, management does not have detailed guidance for notifying all users of outages and the original contracting officer believed that the clauses missing from the PostalOne!-BCSS contracts were not applicable.

Business mailers are negatively impacted when PostalOne!-BCSS is unavailable. Although mail is inducted, users must follow the contingency plan, which is a manual process of recording mail submissions. Users must then enter the same data into the system when it becomes available. When PostalOne!-BCSS is unavailable business mailers do not know the status of their mail submissions or have access to mailer scorecard information. PostalOne!-BCSS downtime affects the movement of mail, which could result in deferred or lost revenue. In addition, senior management may not have accurate system availability information to make appropriate decisions that benefit all PostalOne!-BCSS users. Further, untimely outage notifications could cause business mailers to incur additional labor and transportation costs and mailer scorecards may not be updated timely. Finally, if appropriate IT clauses are not in PostalOne!-BCSS contracts, data may be exposed or misused.

What the OIG Recommended. We recommended management establish a plan to resolve systemic and recurring PostalOne!-BCSS availability issues, implement a formal process to track outages and downtime, define system status terminology, develop and implement a detailed PostalOne!-BCSS notification policy, and include blackout maintenance hours in availability calculations on the daily CIO scorecard. We also recommended management update contracts to include the required information technology clauses.

NATIONAL NEWS

Investor's Business Daily: For almost a century Radio Shack served electronics enthusiasts as an inexpensive way to buy the goods and parts they needed, from camera accessories and headphone jacks to battery testers and spare power cords for your iPhone. When the company went bankrupt last year, the reaction was shock mingled with a sense of nostalgic sorrow. The media offered all kinds of answers to the mystery of what or who killed Radio Shack, from a bad business model and poor management at the top, to competition from internet suppliers who also killed Circuit City and almost did the same to Best Buy. But in this case the real online perpetrator may be China, a serial predator who's been claiming more victims than just Radio Shack. Even worse, Congress and our own U.S. Postal Service seem to be holding the murder weapon.

Consumerist: The Mail Carrier Hall Of Shame Inducts A New Member Accused Of Interfering With Mail

Tax Foundation: The Postal Service promises its workers they will receive health benefits in retirement. Retiree health benefits are different from pensions, but both are types of deferred compensation, are

expensive, and are major components of the Postal Service's labor costs It is sometimes claimed the retiree health care liability includes benefits that will be owed to future workers, some not even born. According to GAO's chief actuary, however, the number includes no future workers, only future benefits already promised to past and current workers. If the Service had continued with pay-as-you-go, its financial statements during the last decade would have appeared much less dire. It might even have eked out small profits in recent years. Unfortunately, the retiree health benefit commitments are very real and very costly. Ignoring the costs for longer would ultimately make them even harder to pay and put the Postal Service's future financial viability at greater risk. The Service has a plan to slash its retiree health care liability by requiring Medicare-eligible retirees to enroll in Medicare or lose the health benefits promised by the Service. Medicare enrollment is now voluntary for these individuals. The House Committee on Oversight and Government Reform, chaired by Rep. Jason Chaffetz (R-UT), recently approved a bill, the Postal Service Reform Act of 2016 (H.R. 5714), whose key element is the Medicare mandate. Shifting costs to Medicare would greatly ease the Postal Service's financial problems, but the Medicare program is itself facing huge strains. Medicare Part A is projected to become insolvent in 2028. Another bill recently voted out of committee (H.R. 5707) would let RHBF assets be invested in the stock market. That would let the Service reduce future RHBF contributions by assuming, in advance, high stock market returns. If actual returns proved disappointing, however, postal customers and taxpayers would come under intense pressure to cover the shortfall.

Wall Street Journal: There's no such thing as free shipping, but keeping that in mind is proving tough in e-commerce. Online shoppers increasingly expect not to pay to have their orders delivered to their front doors, leaving retailers with a stark choice: eat the costs or lose the customers. Most are choosing the former, but most are struggling to do that without sacrificing profit margins, the WSJ Logistics Report's Brian Baskin writes. Making matters worse: savvy shoppers often top off orders with cheap add-ons to get over the free-delivery threshold, leading to small items shipping in large boxes and other costly shipping practices. Analysts say delivery logistics is a critical fault line for e-commerce, and that retailers that can figure out how to convince customers to spend more and then ship the purchases efficiently will be the big winners online.

INTERNATIONAL NEWS

CANADA: **CKNW**: Months after the start of a bitter labour dispute, The Canadian Union of Postal Workers is getting set to serve strike notice.

August 17, 2016

POSTAL/FEDERAL NEWS

USPS Industry Alert: **Mail.dat® client validation '0154'** was set to an 'ERROR' this past Sunday (8/14) with PostalOne!® Release 44. This validation previously displayed as a warning for several months. Now that this validation is an error, it will fail file submission in the case of several incorrect data scenarios. This includes validation of the primary permit number, additional postage permit, the postage payment

method and permit type, and finance number to permit ZIP issues. If you submit a Mail.dat file which fails client validation due to validation error '0154' { There is an invalid .mpa Permit Number and .mpa Postage Payment Method combination; the Permit Number must reference an active permit for the associated payment method at the .mpa Permit ZIP+4 code in the .mpa file.}, please follow the steps below to confirm the Mail.dat file has your intended data present before contacting the PostalOne! Help Desk for assistance [\[Be sure to read the full notice that's posted on this site.\]](#)

NATIONAL NEWS

[**Fedweek:**](#) "What's Cooking in Congress?"

[**The Drum:**](#) There was a time when pizza was the only product that could feasibly be delivered in 30 minutes or less. But then along came Amazon which has set the bar in terms of quick, free shipping while most other retailers lack the infrastructure to deliver within a similar time frame and remain profitable. Here's a look at how the delivery landscape is changing, enabling delivery anywhere – and even circumventing delivery people in some cases.

[**Publishing Executive:**](#) The quintessential subscribers to printed American consumer magazines are wealthy, well-educated empty nesters who live in a single-family house, a recent U.S. Postal Service study suggests. Households that receive the most mailed periodicals also tend to have more than one adult, no children (Come on, parents, magazines are a great way to get kids interested in reading.), be headed by someone with a postgraduate degree, and reside in a single-family house. Three-fourths of the periodicals mailed to U.S. households last year were magazines, the study indicated. And copies mailed to homes dwarf other forms of magazine distribution, such as newsstand and copies mailed to businesses. So, though imperfect, the study provides a pretty good portrait of American magazine readership. The good news is that affluent young adults, perhaps the audience most coveted by advertisers, have not abandoned printed magazines: Those under 34 with household incomes over \$100,000 receive 0.8 periodicals per week, more than the average household and several times more than their less affluent young-adult counterparts.

[**Digital Journal:**](#) Despite the rise in email usage, traditional mail is still popular. In fact, millions of letters get sent in the USPS each day. In 2014, the total mail volume (i.e. number of items sent in the mail) was 155.4 billion! The mail system is also a crucial element of all small businesses. It allows them to market their brands and keep in touch with customers. It's no secret that the business world relies on the mail service today as it did many years ago. It's a common fact that the Internet has made it easier for firms to communicate with their customers. Email, for example, is an instant and free way to make direct contact with people. Despite those facts, there is still a great reliance on conventional mail. For example, official documents that need to get signed sometimes cannot be sent online. And there is the question of whether other parties have access to email or not. In many respects, conventional mail can also make a greater marketing impact than email. Promotional literature is often more vibrant and eye-catching. Even envelopes can entice recipients to open them up and learn more about the subject. Bearing those facts in

mind, online stamps make life easier for small businesses. They also help to converge online and offline worlds together.

Linn's Stamp News: The financial report noted that while the USPS continued to experience strong growth in package mail revenue in the quarter ended June 30, "it represented only 24 percent of our revenues" compared to first-class mail, which produced 37 percent of the Postal Service's revenues despite declines in first-class mail volumes. The report also states an obvious fact: the costs of delivering packages are "substantially higher" than transporting letters. And the entire USPS network of processing plants was created to handle letters and relatively few packages. While the USPS remains committed to growing its package business, the latest financial report makes clear that the package growth carries a price. Big mailing organizations have not objected to the emphasis the USPS is putting on packages, but some have questioned how the Postal Service is accounting for the costs of growing package mail volume.

Stephen Kearney, executive director of the Alliance of Nonprofit Mailers, told Linn's: "I think mailers want USPS to be successful so that it can continue to do a great job delivering mail at reasonable rates. So we do want the USPS package business to be successful." But he allowed that "there is some uneasiness about the new costs the Postal Service is incurring to expand the package business, such as increased staffing, sorting equipment and larger vehicles." "There needs to be a careful separation of mailing and shipping costs so that one side [class of mail] is not subsidizing the other," said Kearney, who was once one of the Postal Service's top financial officers. It's not always clear from the USPS's financial reports what costs are being charged to what program, making "it hard for mailers to clearly see what costs are for what," he said. "So we have a trend of increasing staffing with decreasing mail volume that is difficult to sort out." "Finally," Kearney said, "mailers have some concerns that USPS management is focusing time, attention and resources on a very competitive and risky package business with not only longstanding private sector competitors but also many up and coming new entrants." "We hope that this investment will pay off now and in the future so that the core responsibility of 'binding the nation together' will continue for a long time," he said.

INTERNATIONAL NEWS

CANADA: **CBC**: As the clock ticks down on the Canadian Union of Postal Workers' strike mandate, contract talks with Canada Post are going nowhere fast. Each side blames the other for the stalled negotiations. An arbitrator on Tuesday accepted Canada Post's proposal for a new collective agreement with postmasters and assistants in rural offices across the country, including the same change to the pension plan that CUPW is rejecting. CUPW is the only remaining employee group that hasn't accepted the change.

CANADA: **Huffington Post**: Thanks to technological innovations, consumers and businesses do not rely as much on mail as they used to. The appearance of email and online billing has reduced the relevance of postal services so much that Canada Post's mail volume has fallen by 24 per cent since 2006. As a result,

Canadians are less and less affected by disruptions to mailing services. Nonetheless, Canadians are shouldering a much more important burden: that of an inefficient public monopoly. While it faces competition in the market for parcels, Canada Post has a monopoly on letters weighing less than 500 grams -- the lion's share of mail volume. Like all monopolies, Canada Post is tempted to solve its problems by shifting the costs to captive consumers instead of adapting its business to the new reality. Technological innovations may be reducing our reliance on old-fashioned mailing services, but the European experience shows that postal operators can adapt without forcing consumers to shoulder greater burdens. However, this is contingent on a process of liberalization, privatization and increased competition. As we are facing another labour conflict at Canada Post, it's time to consider the best way to proceed in that direction.

August 16, 2016

POSTAL/FEDERAL NEWS

USPS Industry Alert: The U.S. Postal Service has published an [update on the flooding in Louisiana and Mississippi](#).

USPS Office of the Inspector General: [How Could the Postal Service Make Better Use of the Kaizen Process?](#) -- Kaizen, the Japanese word for "improvement," is also a strategy to produce incremental improvements in processes. Kaizen was first implemented in several Japanese businesses after World War II, influenced in part by American business and quality management teachers who visited the country. The Postal Service deploys Kaizen teams to make process improvements. During Kaizen events, teams are tasked with identifying processing and network constraints that could potentially impact service performance. Once the teams develop solutions for the identified problems, their findings are to be shared with other facilities for use as they review their own processes and correct any defects. The objective of our audit is to evaluate how adequately and effectively USPS is using the Kaizen process to eliminate First-Class Mail "On-Hand" at 3 p.m. at the Denver Processing and Distribution Center. Is the Postal Service complying with its process criteria when conducting Kaizen events? Is the Postal Service effectively using the Kaizen process to identify problems and develop solutions in mail processing? What improvements could the Postal Service make in how it uses the Kaizen process?

NATIONAL NEWS

Reuters: CEO Frederick Smith's FY 2016 total compensation was \$16.8 million versus \$13.8 million in FY 2015.

Government Executive: The U.S. Postal Service may soon find itself falling behind new developments in the shipping industry, according to new research from the agency's auditor, as companies like Amazon and Uber are increasingly making package delivery and logistics a fundamental part of their business models. While USPS is not inherently a provider of logistics, which the mailing agency's inspector general defined in a white paper released Monday as "the transportation, storage, and distribution of goods,

services, and information, including the processes and systems required to support those activities,” it could become a part of its core business. Already a \$4 trillion industry, the IG said the evolving dynamics of the logistics landscape is increasingly creating both “risks and opportunities” for the Postal Service.

Deadline: The U.S. government has spent \$5.4 million during the past two years to finance a children’s television show about postal inspectors – and it could spend millions more over the next two years. Currently filming its second season in Charleston, SC, CBS’ The Inspectors is the only show on commercial television that’s paid for by a governmental agency. Responding to a Freedom of Information Act request, the USPIS told Deadline: “In reference to your request for how much money the USPIS has spent on the The Inspectors in direct financing, you are informed that the United States Postal Service has contracted with Litton Syndications Inc. to develop, write, produce, and air a consumer awareness and crime prevention 30-minute campaign titled, The Inspectors. The contract was awarded for \$5.4 million and the period of performance is 9/15/2014 to 9/14/2016, with potential to extend the contract for an additional two one-year option periods.” The USPIS stressed that none of the money used to fund the show comes from taxpayers or the sale of postage stamps. “The total awarded amount,” the USPIS said, “has been paid to the supplier ... from the asset forfeiture and consumer fraud awareness funds, designated for specific purposes which include consumer fraud and prevention education. USPS rate-payer dollars are not involved in the production. The United States Postal Inspection Service is the sole agency within the Postal Service that uses this fund and it is not a part of the overall Postal Service operating fund.”

INTERNATIONAL NEWS

CANADA: **Canada NewsWire:** Arbitrator Michel G. Picher has accepted Canada Post's proposal in the final offer selection process to reach a new collective agreement with the Canadian Postmasters and Assistants Association (CPAA). Key changes under the new collective agreement include a defined contribution pension plan for new employees represented by the CPAA. Except for employees represented by the Canadian Union of Postal Workers (CUPW-Urban and CUPW-RSMC), every employee group at Canada Post has a defined contribution pension plan for newer employees. It exists for management and exempt employees hired after January 2010. It was negotiated with the Public Service Alliance of Canada/Union of Postal Communications Employees (PSAC/UPCE) for administrative and technical employees hired after May 2014. A defined contribution plan was also negotiated with the Association of Postal Officials of Canada (APOC) for supervisors and employees in supervisory support groups hired after February 2015. The new collective agreement with the CPAA also includes changes to entry-level wages which are in line with changes previously negotiated with other bargaining units. There is also an increase in employee contributions for post-retirement benefits, from 25 per cent to 50/50 cost-sharing with the employer. The wages and benefits package includes modest wage increases and remains competitive while reducing future costs through changes for new employees. Reducing future costs is necessary to respond to the changing needs of Canadians for postal service while respecting Canada Post's mandate to be financially self-sustainable.

August 15, 2016

POSTAL/FEDERAL NEWS

USPS Industry Alert: [Flooding in Louisiana and Mississippi -- Post Office Closures/Relocations/Service Impacts](#)

USPS Office of the Inspector General:

- [The Evolving Logistics Landscape and the U.S. Postal Service](#)

In many ways, logistics is the glue that holds the global economy together. Logistics provides the links that ensure products get from Point A to Point B and the means by which manufacturers get the parts and materials they need to create and assemble the goods we use every day. Its function as a binding agent in global commerce makes logistics directly related to postal operators' core mission. The Postal Service is the dominant last-mile delivery provider in the United States because it visits nearly every address 6 days per week. As a result, no competitor can deliver small, low-revenue packages at such a low cost. However, with competition for last-mile delivery intensifying in densely populated urban areas, the Postal Service may begin to lose significant market share to new entrants like crowdsourced delivery companies and regional carriers. As those competitors move into urban delivery, they could relegate the Postal Service to the role of making costly deliveries in rural or suburban areas with less density. Postal stakeholders and policymakers should note this potential urban-rural divide, as the Postal Service could end up being the only affordable way for Americans outside of urban areas to participate in ecommerce. In an era of declining and changing mail volumes, logistics may be one of the best options for posts and their partners to diversify their offerings and a key element of their long-term survival. Although the Postal Service is not a logistics company, many aspects of the logistics industry are central to its core business. By taking steps to expand its logistics offerings to the extent allowed under current law, the Postal Service could better retain or even grow its current package delivery business. In addition, by finding ways to leverage its existing resources and assets to provide or expand logistics services, the Postal Service could ensure that it best serves citizens and businesses and plays a valuable role in the quickly changing logistics industry.

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- [Logistics 2.0 – An Ongoing Revolution](#)

Since the 2013 release of our paper *The Global Logistics Revolution: A Pivotal Moment for the Postal Service*, Amazon has entered and transformed the logistics market, buying thousands of freight trailers and leasing 20 cargo planes. In addition, the tremendous growth of ecommerce "has clearly begun to stretch the capacity of many elements of the supply chain," as our new paper, *The Evolving Logistics Landscape and the U.S. Postal Service*, says. Returns are proving to be another challenge. Consumers send back to retailers or manufacturers up to 30 percent of the products they buy online. What has not changed, however, is that many aspects of the logistics industry are central to the Postal Service's core business. Indeed, logistics has emerged as a prime means for

posts and their partners to diversify — an essential strategy in the face of changing and declining mail volumes. Our paper looks at both the challenges and opportunities the fast-changing logistics environment presents to the Postal Service.

Because it visits nearly every address in the country 6 days a week, the Postal Service has been the dominant last-mile delivery provider. No competitor can deliver small, low-revenue packages at such a low cost. However, competition for last-mile delivery is intensifying in urban areas, as nimble crowdsourced delivery companies and regional carriers enter the market. The Postal Service could find itself relegated to serving rural and suburban areas that are less dense and more costly. By expanding its logistics offerings, the Postal Service could better retain or even grow its current package delivery business in a quickly changing market. For example, the excess space available in many postal facilities could be rented out to logistic companies as warehouse space. Share your ideas with us. How could the Postal Service tap into its current resources to enhance or expand its logistics-type services?

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NATIONAL NEWS

The Chief: The U.S. Postmaster General last week pleaded one more time for Congress to pass a reform bill, as she announced a \$1.6-billion net loss in the Postal Service's latest quarter. Megan Brennan was repeating an appeal the USPS has made for years. But the embattled agency's financial picture between April and June was not all gloom, and the two biggest postal unions urged customers—and lawmakers—to take a broader view and consider larger trends.

DC Velocity: Parcel and LTL shippers that understand the significance of moves by the nation's two biggest carriers to apply "dimensional weight" pricing to all their U.S. ground shipments are the ones trying hardest to blunt its impact, a sign that the pricing change should be taken seriously by all shippers, according to a survey recently conducted by Niagara University, consultancy Supply Chain Optimizers, and DC Velocity. Aware of the impact of the new policies, about 46 percent of the better-informed shippers have already negotiated pricing adjustments with their carriers and have made changes in their packaging processes to shrink parcel cube and avoid a significant rate increase that would accompany the change in the carrier formula, according to the survey. Seasoned shippers were also more likely to use computer systems to help select the optimum box size, as well as to install "cut to size" systems where boxes are custom-formed based on their contents, the survey found.

INTERNATIONAL NEWS

CANADA: **Toronto Star:** Talks between Canada Post and the Canadian Union of Postal Workers are stalled on key issues including pay and pensions, with the union's strike mandate expiring next week. Mike Palecek, national president of postal workers' union, said there's been little movement even though the company removed the threat of a lockout of 50,000 members last month.

HUNGARY: [Budapest Business Journal](#): Illés replaces Zsolt Szarka, who resigned by mutual consent. Magyar Posta's management board also resigned and was replaced by newly elected officials. Illés started his career at ABN AMRO Bank in 1995. Since 2006, he has worked for OTP Bank, first managing its retail business, then its unit in Russia. The government recently transferred coordination of government activities on the oversight of postal affairs from the Prime Minister's Office to the Ministry of National Development.

UNITED KINGDOM: [Tamebay](#): Whistl are looking to increase efficiency in their postal business by replacing its current fleet of vans with 104 Mercedes Sprinter and Vitos vans in a £3 million deal with Zenith that will reduce fleet costs by around 25%. The new vans have been fitted with the Isotrak, tracking system that is currently used in Whistl's HGV fleet. The company has found that investment in the tracking system has improved the MPG of its fleet as well as improving the quality of service to customers through better visibility of collection and deliveries. It is also used by its Operations team to track arrivals of vehicles into depots which helps with the processing of mail.

JAMAICA: [Antigua Observer](#): Minister of Science, Energy and Technology Dr Andrew Wheatley on Friday officially launched the mobile post office service. The mobile post office is an initiative of the Postal Corporation of Jamaica and is expected to serve more than 50 communities and adjoining districts currently without a static postal point. In his remarks, Dr Wheatley said the mobile service forms part of moves to modernise the postal sector to ensure its continued relevance. "This is a bold and important initiative which is keeping with the department's plans as well as its mandate, which is ensuring access of affordable postal services for all Jamaicans," he said.

CANADA: [National Union of Public and General Employees](#).: New report prepared by legal experts and published by the Canadian Centre for Policy Alternatives find that the Trans-Pacific Partnership (TPP) seriously undermines the future of Canada's public post office. The TPP's express delivery services provisions expand the potential opportunities for courier services to challenge Canada Post. It does this in one way by prohibiting the use of money from monopoly activities (e.g., letter mail) to "cross-subsidize" its own or anyone else's express delivery services. The annex also requires that postal monopolies not "abuse [their] monopoly position" in a way that treats foreign companies (like UPS) less favourably than domestic ones (like Purolator, which is majority-owned by Canada Post). Other restrictions on state-owned enterprises and "designated monopolies" further compromise the current and possible future expanded activities of Canada Post.

August 14, 2016

POSTAL/FEDERAL NEWS

Attention Business Customer Gateway, Program Registration, PostalOne!®, PTR, and eVS Users:

- **PostalOne! Release 44.0.0.0 is complete and the PostalOne! system is available.** As a reminder, Mail.dat Client 44.0.0.0_PROD is required with this release. All older Mail.dat Client

versions will expire. Mailers can download the new client from the Business Customer Gateway (BCG) using the following path: Mailing Services; Electronic Data Exchange [Go to Service]; Mail.dat download (Windows 32-bit, Windows 64-bit or Solaris)

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- **PostalOne! Release 44.0.0.0 TEM deployment** will occur on Monday, August 15, 2016 from 6:00 AM to 3:00 PM CT. The TEM environment will not be available during this time. Release notes for Release 44.0.0.0 are posted on RIBBS at https://ribbs.usps.gov/intelligentmail_schedule2016/releases/aug2016/releasenotes.cfm.
-
- **Program Registration Release 17.0.0.0** is complete and the application is available. Product Tracking and Reporting System (PTR) - On Sunday, August 14, 2016 the USPS will implement an Oracle upgrade to the Product Tracking and Reporting (PTR) System. To implement this upgrade, a system outage will occur on August 14 from 7:00 PM ET through 5:30 AM ET, August 15. All ingest, staging, and outbound processing will be suspended during this period. The Electronic Verification System (eVS) will not receive or process files during this time, and will resume processing when the PTR upgrade is complete. In addition, the data for non-eVS customers related to IMpb non-compliance will not be transmitted to PostalOne! until the PTR upgrade is complete. USPS Tracking site and Call Center interfaces will be available and functioning throughout this window.

August 13, 2016

NATIONAL NEWS

Investors.com: Truck drivers are one of the most endangered blue-collar jobs. In May 2015, autonomous trucks began rolling down U.S. highways for the first time after Nevada licensed a new Daimler (DDAIF) Freightliner 18-wheeler called Inspiration. For now, a human has to be in the cab during the prototype phase. Tesla Motors is working on plans for self-driving, all-electric heavy trucks, CEO Elon Musk wrote in his recent "Master Plan." Baird analyst Benjamin Hartford says all leading trucking companies are experimenting with autonomous truck technology. "UPS would be the most logical. I know they have looked at the possibility," Hartford told IBD. UPS already employs driver-assistance systems on many trucks, but says full autonomy is further off, with regulation being a key issue. Truck drivers are in short supply now, and self-driving trucks would fill that gap. But if large numbers of self-driving trucks roll out -- with no human in the cab -- Teamsters and other unions would likely resist.

WFAA: WFAA-TV found at least six senior citizens in Lepine's Fairview retirement community of Heritage Ranch who had their mail forwarded without their knowledge. In at least five of those cases, the thieves used the USPS online mail forwarding form to funnel mail to the same Miami-area warehouse. U.S. Postal Service officials say there are nearly 37 million change-of-address forms filed each year -- about half the changes are made online. But they say only about 750 fraud complaints are reported each year.

August 12, 2016

POSTAL/FEDERAL NEWS

Attention Business Customer Gateway, Program Registration, PostalOne!®, PTR, and eVS

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- PostalOne! Release 44.0.0.0 TEM deployment will occur on Monday, August 15, 2016 from 6:00 AM to 3:00 PM CT. The TEM environment will not be available during this time.
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NATIONAL NEWS

Atlanta Journal Constitution: Members of Congress can, at no cost to their re-election campaigns, send mail or advertisements to constituents in their districts — and vulnerable House members are disproportionately taking advantage of it. Legislators running for re-election in non-safe districts are spending almost three times as much on taxpayer-funded mail, on average, as those running in safe districts, according to a Roll Call analysis of spending data from the House and Sunlight Foundation.

Kern Golden Empire: It's a growing epidemic in Kern County as reports of mail theft continue to rise. Many of residents have contacted 17 news expressing their frustration of mail theft. The Postal Service says they are always looking for better ways to improve security, such as new locks. However, victims of

mail theft are frustrated that not enough is being done. Many residents have installed better lighting and security cameras to prevent thieves from breaking in, however, there are ways to reduce the chance of your mail being stolen. The post office says residents should pick their mail up every day or require a signature for packages. When you're leaving for vacation, you can request the post office to hold your mail until you get back. The most important way to protect yourself is by being aware.

[Lockport Union-Sun & Journal](#): I've had my share of gripes about the mail. As president of the National Newspaper Association, I have fielded our community newspaper members' postal concerns all year. The mail is slower than it used to be. The U.S. Postal Service slowed it down by a day, at least, because of financial problems. Newspaper subscribers are unhappy because too often their papers are arriving late. Some local businesses have had problems with cash flow because of late mail . . . Mail is important. But it has to be reliable and on time. Unless this legislation gets through, mail will get slower and eventually, we won't be able to take it for granted.

INTERNATIONAL NEWS

DENMARK-SWEDEN: **[Businesswire](#)**: The fast-growing e-commerce sector remains an important driving force. New postal legislation in Denmark is laying the foundations for more efficient production. With the continued decline in volumes in the mail business, the realization of our strategy is of the highest priority . . . Total mail volumes for the Group decreased by 8% in the quarter and over the first half-year, of which 17% in Denmark and 6% in Sweden. In the light of these continuing volume reductions, it is a positive that postal legislation issues have come into closer focus, and that in both Sweden and Denmark there is a clearer understanding of the revolutionary shift that is taking place, and how this is affecting us.

INDIA: **[Infracircle](#)**: India Post has tasted blood and now is in a mission mode. After collecting Rs.1,500 crore at the end of March 2016 in cash for delivering parcels for various e-commerce portals, including Amazon and Flipkart, the postal department now plans to have dedicated road routes for short distances and dedicated trains for longer routes to deliver parcels. A senior department of posts (DoP) official, requesting anonymity, said S.K. Sinha, secretary of DoP, met officials from the ministry of railways earlier this month to explore areas to increase parcel delivery capacity, especially from e-commerce firms, through the railways.

GERMANY: **[Reuters](#)**: German postal and logistics group Deutsche Post DHL (DPWGn.DE) is planning to start selling electric delivery vans on the open market in 2017, a spokesman for the group said on Friday. Deutsche Post initially developed the Streetscooter, a four-wheeled electric van with a range of up to 120 kilometres, for its own use for delivering mail and parcels.

August 11, 2016

POSTAL/FEDERAL NEWS

Postal Regulatory Commission: The Postal Regulatory Commission will host an off-the-record technical conference on August 26, 2016, at 10:00 am in the hearing room at Commission offices, 901 New York Ave. NW, Suite 200 Washington, DC 20268, *to discuss data represented in the Postal Service's first two quarterly reports on its service performance measurement systems proposals for Market Dominant products.* Representatives from the Postal Service will discuss the quarterly service performance reports and be available to answer questions relating to the data. The technical conference is open to all persons interested in the Postal Service's Service Performance Measurement Plan and will be web and video cast in its entirety on the Commission's website, www.prc.gov.

- **PI2015-1 USPS-LR-PI2015-1/3 - USPS Proposed Internal Service Performance Measurement System: First Mile, Processing Duration and Last Mile Data for Single-Piece First Class Mail for Quarter 3 of Fiscal Year 2016**

<http://www.prc.gov/docs/96/96857/Internal%20SPM%20SPFC%20Scores%20by%20Segment%20163.xlsx>

<http://www.prc.gov/docs/96/96857/LR3%20Notice%208%2011%202016.docx>

<http://www.prc.gov/docs/96/96857/Preface%20LR3%208%2011%202016.docx>

• **Attention Microstrategy Users:** [An updated report has been posted on this site.](#)

USPS Industry Alert: The latest issue of the USPS publication "[Mail Spoken Here](#)" has been posted on this site.

DMM Advisory: PO Box™ Throwback Table in the DPV® and AMS API Products. In an effort to facilitate growth in e-commerce and the package industry, the U.S. Postal Service® will integrate the PO Box™ Throwback table into both the Delivery Point Validation (DPV®) and Address Management System Application Programming Interface (AMS API) products. With the addition of the PO Box Throwback table (Dph.hst), customers will be informed when a delivery point is a street address, but delivery is made to the customer's PO Box address. The new feature will help mailers to make sure packages reach their intended destination. The PO Box Throwback table will be included in the September 2016 release for both products. Refer questions about integration of the PO Box Throwback table to the Licensing and Certification Department at ncoalink@usps.gov.

Postal Regulatory Commission:

PI2015-1 USPS-LR-PI2015-1/2 - USPS Proposed Internal Service Performance Measurement System Data For Quarters 2 and 3 of Fiscal Year 2016

<http://www.prc.gov/docs/96/96845/Notice%20LR.2.doc>

[http://www.prc.gov/docs/96/96845/Preface%20LR%202%20Final%20\(002\).doc](http://www.prc.gov/docs/96/96845/Preface%20LR%202%20Final%20(002).doc)

http://www.prc.gov/docs/96/96845/Q2%20PRC%20Reports_081016.zip

http://www.prc.gov/docs/96/96845/Q3%20Reports_081016.zip

NATIONAL NEWS

Bismarck Tribune: Edie Ramstad runs a weaving supply business out of Ada, a small town in Minnesota near Fargo. And she relies on the postal service to ship her products around the country. But Ramstad says the agency is failing her. Her local post office can't send overnight mail to all destinations, and priority mail can take four to six days to arrive. Recently, the office stopped collections at 2:15 p.m., making it tough to send a last-minute order. "We don't want to take jobs out of the community," she told Postmaster General Megan Brennan at a roundtable in Mandan on Thursday. "Without the post office helping us, we don't know what to do." Democratic Sen. Heidi Heitkamp invited Brennan to North Dakota, after she received more than 500 complaints from residents about their mail service. "Rural America deserves the same quality of postal service as anywhere in the U.S.," Heitkamp told the group, which included several people who wrote in response to her campaign.

Bosacks Media Intelligence: Linda Brooks, President and CEO, MPA has responded to an article published by The Brookings Institution concerning magazines and the mail.

Target Marketing: Direct mail can be a great way to generate sales for both B2B and B2C companies when it's done the right way. All too often, however, it's not done right. From overcrowded postcards to too-much-information self-mailers, the vast array of bad direct mail is disappointing. Don't let your next direct mail campaign fall into the bad category. Start your planning now.

INTERNATIONAL NEWS

CANADA: **Rabble.ca**: The Canadian Union of Postal Workers (CUPW) is currently engaged in collective bargaining with Canada Post. Unlike in previous rounds, the contracts of both the Urban bargaining unit (covering about 42,000 workers) and the unit of some 8,000 Rural and Suburban Mail Carriers (RSMCs) are being negotiated simultaneously. That's not the only reason that this round of bargaining is unusual. This is a rare case of a public sector union not only trying to defend its past gains but also to change the nature of the work its members do. CUPW is backing a visionary plan to transform Canada Post called Delivering Community Power (DCP) and trying to win some of its elements at the bargaining table. For its part, Canada Post management -- led by CEO Deepak Chopra, who was reappointed to his position by Stephen Harper shortly before the last federal election and then refused the new Liberal government's request to resign -- is not proposing the status quo either. The employer has proposed that all future regular employees in both bargaining units will have a defined contribution pension plan instead of joining Canada Post's existing defined benefit pension plan. On top of weakening Urban workers' vacation entitlements and health and safety training, Canada Post wants to shrink the number of full-time workers with open-ended contracts and increase the number of part-time and temporary staff. It also wants the right to close any or all of the close-to-500 retail outlets it still runs. It wants to eliminate Appendix T of the Urban collective agreement, which deals with service expansion and innovation and provides for pilot projects. This is an attempt to kill discussion of the DCP plan.

MONGOLIA: **New York Times**: If you happen to be invited to a party at the United States Embassy in Ulan Bator, Mongolia? Writing "during.snapper.housework" on the parcel will get it there. These oddly

poetic three-word codes will soon act as a stand-in for the more common addressing convention of house number, street name and postal code, which never quite caught on in Mongolia, one of the world's most sparsely populated countries. They are the invention of a British start-up, What3Words, that has mapped the world into 57 trillion patches of nine square meters and given each one a unique three-word identity.

UNITED KINGDOM: [Bloomberg](#): Royal Mail Plc workers could go on strike to protect their pension plan after the operator of the U.K. postal service said it might not be able to keep the program running beyond 2018, a union leader said. The company failed to consult the Communication Workers Union before sending a letter to employees in June that said the pension plan had become unaffordable and might have to be scrapped in two years, union deputy general secretary Terry Pullinger said. The union will take "the strongest action possible" -- including strikes, if needed -- to oppose the closing of the defined-benefit pension program, he added.

August 10, 2016

POSTAL/FEDERAL NEWS

USPS Office of the Inspector General: [Do Mail Schedulers Make Mail Processing More Efficient?](#) --

Process scheduling is widely used in private industry to meet production deadlines, increase efficiency, and reduce machine downtime. The Postal Service uses a process scheduling program called the Run Plan Generator (RPG) to schedule machines that sort the mail by ZIP Code. The RPG outputs a daily plan that helps the Postal Service process the mail timely and efficiently. The daily plan is based on historical volumes that are adjusted for anticipated fluctuations, the time mail is expected to arrive at the facilities, and the cutoff times for when the mail needs to be dispatched to downstream facilities. It outlines machine throughput targets for how many mailpieces should be processed each hour and machine preventative maintenance requirements. What are the pros and cons of processing mail based on a planned schedule? Does the Postal Service process mail more efficiently by using a machine scheduler in its mail processing facilities?

Federal Register:

Postal Regulatory Commission New Postal Products, 52916–52917 [2016–18997] [\[TEXT\]](#)

Postal Service

Priority Mail and First-Class Package Service Negotiated Service Agreement ,

52917 [2016–18916] [\[TEXT\]](#)

52917 [2016–18918] [\[TEXT\]](#)

Priority Mail Express and Priority Mail Negotiated Service Agreement, 52917 [2016–18907] [\[TEXT\]](#)

NATIONAL NEWS

Wall Street Journal: The longest slide in worker productivity since the late 1970s is haunting the U.S. economy's long-term prospects, a force that could prompt Federal Reserve officials to keep interest rates low for years to come. Nonfarm business productivity—the goods and services produced each hour by American workers—decreased at a 0.5% seasonally adjusted annual rate in the second quarter as hours worked increased faster than output, the Labor Department said Tuesday. It was the third consecutive quarter of falling productivity, the longest streak since 1979.

Wall Street Journal: Raising prices hasn't been enough to help the U.S. Postal Service offset skyrocketing costs from shipping e-commerce packages and declines in First Class mail. The USPS says its revenue is growing but the postal operator is struggling to handle the flood of online goods efficiently. The package business is "much more labor intensive" and air freight use has increased to meet the delivery demands, says USPS CFO Joe Corbett.

Phandroid: Today, the United States Postal Service Office of Inspector General is announcing its intention to publish new findings and analysis on the public's rapidly-evolving opinion of drone delivery as a potential future logistics technology. Several topics are covered in the study, including the opinion of survey respondents to unmanned aircraft delivery's overall appeal, its most and least compelling applications, the believability of claims about its potential benefits, the public's expected timeframe for implementation of operations, potential downsides of the proposed technology, and how the public would view drone delivery if it were offered by the U.S. Postal Service and a small collection of other interested organizations.

Businesswire: FedEx Office, a world-class commercial print provider, announced today the expansion of its managed parcel and print services designed to serve the unique shipping and printing needs of university communities including faculty, staff, students and parents. FedEx Office has designed a kit of solutions that are flexible and scalable, allowing each university to implement services on campus that meet their specific needs while creating an adaptable cost model that helps save time, labor and overhead by freeing up resources and avoiding fixed costs associated with large scale printing and increasing e-Commerce parcel volumes.

INTERNATIONAL NEWS

UNITED KINGDOM: [*Financial Times*](#): Royal Mail's "gold-standard" pension scheme is at risk of closure and the company is braced for crunch negotiations with trade unions after it told workers the plan was "unaffordable" beyond 2018. The UK's dominant postal operator pays around £400m a year in cash towards a defined benefit fund, which guarantees a retirement income to members including two-thirds of its 140,000-strong workforce. However, the company has written to employees saying that a deterioration in financial market conditions meant the annual cost of keeping the plan open was likely to more than double to £900m. In a letter sent in June, management described this increase as "simply unaffordable" and said it did not believe it could continue to run the plan in its present form beyond a prior commitment of March 2018. The looming change is a sign that Royal Mail, which was privatised in 2013, is leaving behind the traces of its public sector heritage by adopting a form of retirement provision now commonplace in the private sector.

NIGERIA: [*Financial Watch*](#): A radical reform of the Nigerian Postal Service (NIPOST) in which many of its staff may lose their jobs will soon begin, Daily Trust has learnt. A top federal government official told our reporter in Abuja, yesterday, that the new Postal Master General (PMG), Asiwaju Bisi Adegbuyi, had been given directive to reduce, at least, 1000 workers from the agency's workforce.

August 9, 2016

POSTAL/FEDERAL NEWS

Postal Regulatory Commission:

USPS Quarterly Performance Reports, Quarter 3 of FY 2016

http://www.prc.gov/docs/96/96836/Letter_QuartPerf_Q3FY16_20160809162626.pdf

http://www.prc.gov/docs/96/96836/Quarterly%20Performance%20Reports_Q3%20FY%202016.zip

USPS Preliminary Financial Information (Unaudited), June, 2016

<http://www.prc.gov/docs/96/96837/2016.8.9%20June%20Monthly%20Financial%20Report%20to%20the%20PRC--report.pdf>

http://www.prc.gov/docs/96/96837/Letter_PFI_June2016_20160809162703.pdf

National Trial Balance, June, 2016; and Statement of Revenue and Expenses, June, 2016

http://www.prc.gov/docs/96/96838/Letter_NTB-SRE_June%202016_20160809161408.pdf

[http://www.prc.gov/docs/96/96838/National%20Trial%20Balance%20-%20Redacted,%20%20June,%202016%20\(FY%202016\).xls](http://www.prc.gov/docs/96/96838/National%20Trial%20Balance%20-%20Redacted,%20%20June,%202016%20(FY%202016).xls)

Senator Thomas Carper: Today, U.S. Senator Tom Carper (D-Del.), top Democrat on the Senate Homeland Security and Governmental Affairs Committee, released the following statement in response to the announcement that the U.S. Postal Service (USPS) reported a net loss of \$1.6 billion in the third quarter of fiscal year 2016. This report comes after the Postal Service faced the first rate decrease in nearly a century with the expiration of the court-mandated emergency surcharge put in place after the Great Recession – the only measure keeping the Postal Service from financial collapse over the last two years.

“Despite rises in revenue and shipping volume, the Postal Service is, yet again, reporting significant losses. The agency’s latest financial report forecasts a reality we’ve known for years – without Congressional action, the Postal Service will remain unable to raise enough revenue to cover its costs and will continue to suffer losses that threaten its long-term viability. Each quarter, these reports underscore the Postal Service’s dire situation and remind us that doing nothing cannot be an option. “When Congress returns from recess in September, we will have a ripe opportunity to approve legislation that can stabilize the \$1.4 trillion mailing industry that employs more than seven million Americans. I am encouraged by the House Oversight and Government Reform Committee’s passage of postal reform legislation and remain hopeful that my colleagues in the Senate will join me in working with Chairman Chaffetz and Congressman Cummings to ensure this critical institution is competitive and solvent for years to come.”

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Program Registration Release 17.0.0.0 — will be deployed to Production from 00:00 am CDT (Midnight)

to 8:00 am CDT on Sunday, August 14, 2016. There will be an outage and the application will be unavailable during that time.

USPS Press Release: Excluding a change in accounting estimate recorded during the quarter, the U.S. Postal Service reported operating revenue of \$16.6 billion for the third quarter of fiscal year 2016 (April 1, 2016 - June 30, 2016), an increase of \$117 million, or 0.7 percent, over the same period last year (See Selected Third Quarter 2016 Results of Operations table below). Nevertheless, the Postal Service suffered both a controllable loss (defined below) and a net loss for the quarter. In addition, the Postal Service's revenues were approximately \$450 million less than they otherwise would have been during the quarter because of the expiration of the exigent surcharge on April 10, 2016. The Shipping and Packages business continued its strong performance with revenue growth of \$645 million, or 18 percent. This was offset by a decline in First-Class Mail revenue of \$379 million, or 5.5 percent, due largely to the expiration of the exigent surcharge. The expiration of the surcharge will reduce revenue by an additional amount of approximately \$500 million for the fourth quarter and by almost \$2 billion annually. "We continue to post double-digit gains in package volume and are well-positioned operationally for further growth. Our capital investments are enabling increased efficiencies across the enterprise and improving experiences for our customers," said Postmaster General and CEO Megan J. Brennan.

Federal Register: **Postal Regulatory Commission** New Postal Products, 52717 [2016-18843] [\[TEXT\]](#)

USPS Office of the Inspector General: [Remaking International Money Orders](#) -- One way to send money abroad is through international money transfers. It's a hot market, growing between 3 percent and 11 percent annually from 2010 to 2014, our recent audit report noted. And the United States is the number one sender of international money transfers, capturing 22 percent of the global market. In 2014 alone, U.S. residents sent \$130 billion in money transfers to other countries Yet the U.S. Postal Service finds itself in the not-so-hot part of the market, continuing to offer primarily an old-fashioned version of international money transfers: the international paper money order (IPMO) IPMO sales have declined drastically Even the Postal Service's limited electronic international money transfer service (Sure Money), available from the U.S. to 10 Latin American countries, has not performed well in recent years, failing to capitalize on the strong demand worldwide for international money transfer services. We recommended the Postal Service remake its 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.

NATIONAL NEWS

Benzinga: Today, Citizens Against Government Waste (CAGW) reacted with frustration and indignation after the U.S. Postal Service (USPS) released its third quarter financial report for fiscal year (FY) 2016. CAGW President Tom Schatz said, "The USPS is quick to point out supposed obstacles, while ignoring its exclusive advantages. As mail volume continues to decline, agency leaders persist in peddling the misguided belief that financial salvation lies in accounting gimmicks and starting new non-postal

ventures. The USPS should focus solely on its letter mail products and not stray from its original mission. Non-postal pursuits will significantly compound the agency's woes."

WTOP: The USPS's shipping and packages business is biting both ways. While volume is up, so are expenses as a result. The Postal Service said that labor costs increased by \$387 million, largely due to the increase in package volume and transportation costs, which increased by \$97 million.

Brookings Institution: The federal government is subsidizing magazines to the tune of \$500 million per year. The mega-subsidy to magazines comes in the form of below-rate postage. It costs the U.S. Postal Service more to deliver magazines than the postage it charges. Each year, the Postal Regulatory Commission reviews USPS' finances and operations, and issues what it calls its Annual Compliance Determination. Ever since the PRC started issuing the report a decade ago, the ACD has shown periodical mailers pay postage 25 percent below the cost of delivery. There are two big reasons this subsidy exists. In part, it is a Postal Service whoops. The PRC reports the agency has been offering "workshare" discounts that are too high. But the main reason is tradition; Congress has subsidized periodicals since the birth of the republic. Sub-cost postage rates for magazines were first enacted in 1794. The people, it was argued, needed information about their government and the doings of the far flung peoples of America. Mail was a news-and-information medium.

New York Times: Today, about 40 electric cooperatives in towns like Kit Carson, N.M., Millboro, Va., and Cassopolis, Mich., offer or are in the process of building networks to provide high-speed internet service, compared with just one in 2010, according to the Institute for Local Self-Reliance, a nonprofit focused on community broadband networks. In the Berkshires of western Massachusetts, dozens of tiny towns are also using century-old electrification laws to get state funding and permission to provide broadband as a utility.

Business Insider: The United States Postal Service (USPS) is testing new in-store kiosks that help eBay sellers send out their packages more quickly. The kiosks are placed within US Post Office locations where eBay sellers can scan their packages for initial intake with the USPS without having to wait in line. eBay sellers are choosing to go to the post office despite being able to print out postage labels from their home or office to drop them in the mail. The new kiosks will help these sellers save time and could help them ship out a higher volume due to its convenience. It can also help eBay sellers appease customers that insist on speedy send-outs accompanied by a notification to their email or mobile phone. The USPS is likely trying to present e-commerce merchants with easier shipping solutions after implementing a rate hike this past January. Prices across Priority Mail, Parcel Select Lightweight, and First Class Package International Service packages all increased, directly impacting online sellers. This price hike could have already encouraged some e-tailers to find other shipping options, like UPS, FedEx, and even Uber. Moving forward, we expect to see more initiatives from the USPS that remove friction for online merchants, like long wait times and high shipment volume.

INTERNATIONAL NEWS

AUSTRALIA: [UKP Worldwide](#): The Department of Immigration and Border Protection (DIBP), which oversees the Customs clearance for all inbound products into Australia, has announced they will be on strike on Friday 12th August 2016. This will cause delays on all inbound mail, both 12th August and on the days following the strike, until the backlog is cleared.

MALAYSIA: [The Star](#): Not wanting to be left behind by the e-commerce boom, Pos Malaysia Bhd is counting on its courier services to be the main driver of growth within the next two years.

ARMENIA: [ARKA](#): Haypost (Armpost), Armenia's national postal operator, and RIA Money Transfer, the third biggest money transfer system in the world, have handed money prizes and gifts as part of their joint campaign, the press office of Haypost reported on Monday. Any client who used RIA system services may take part in a drawing that is held every month. The winner chosen randomly will get \$100.

UAE - AUSTRALIA: [The Washington Post](#): The Dubai-based courier Aramex says Australia's postal service has bought a 4.5 percent stake in the company.

August 8, 2016

NATIONAL NEWS

[Bloomberg](#): Online retailers like Amazon.com have made it possible to get books, high heels, laptops and groceries delivered to your doorstep after work and even on Sundays. But carriers at the U.S. Postal Service pay a price for such convenience: they're getting bitten by dogs. Attacks on postal employees are on the rise -- in 2015 alone, they jumped 14 percent to 6,549, officials said. Houston led the way with 77, followed by San Diego and Cleveland with 58 each.

INTERNATIONAL NEWS

NIGERIA: [Punch](#): The Federal Government has urged the newly appointed Post Master General of the Federation, Mr. Bisi Adegbuyi, to explore private sector partnership for mail delivery services across the country.

August 7, 2016

POSTAL/FEDERAL NEWS

Attention Business Customer Gateway and PostalOne!® Users: The upgrade of the Oracle databases for the Seamless Acceptance and Service Performance (SASP) and Business Intelligence Database (BIDS) systems scheduled for today, Sunday August 7, 2016, are ongoing. MicroStrategy reports will continue to be unavailable until 8:00 AM CT Monday, August 8, 2016. Reports Monday morning will display data processed through Friday, August 5, 2016, which should include mailings

finalized on Thursday, August 4, 2016. We apologize for any inconvenience. If you have any additional questions please contact the help desk at 800-522-9085.

August 6, 2016

NATIONAL NEWS

NJ.com: The U.S. Postal Service has denied the township's bid for its own zip code, saying they did not receive enough responses to a petition mailed to residents that asked them to vote on the change. The town needed an 80 percent response, but the postal service only received 53 percent in return. An angry Mayor Dave Fried released the postal service's response letter Thursday, criticized the process and methodology and vowed an appeal. "The process was a disgrace that was set up for us to fail from day 1," Fried said in a statement. "This is the exact opposite of transparency in government, and it's exactly what people hate about government. It's embarrassing, frankly," Fried said. "If the postal service didn't want this measure to pass, for whatever reason, they should have just said that and not subjected our residents to this veritable dog-and-pony show." The town was seeking to have the zip code 08691 officially designated as Robbinsville. The postal service recognizes 08691 as Trenton.

eCommerce Bytes: The USPS revealed a new test it was running with eBay designed to make it easier for sellers to get an initial scan on packages entering the mail stream. It's an important issue for sellers who feel pressure to let eBay and their buyers know the moment their packages are on their way to the customer. USPS Vice President of Sales Cliff Rucker made the announcement to an audience of over 1,000 sellers at the eBay OPEN event in Las Vegas last week. He acknowledged that in the 5 years he's held his current position, he's heard many complaints that it's hard to get a package scanned. "One of the tests we're going to do with eBay is build a system where you'll be able to walk in, you won't have to stand in line, you'll be able to go over to a kiosk, you'll be able to scan your package, we'll give you a receipt," he said. Generally sellers print postage labels from their office computers. The reason many bring packages to the post office (and must sometimes wait in line) is to ensure the packages are scanned as soon as possible.

INTERNATIONAL NEWS

CANADA: **CBC**: More than 1,000 Canada Post workers protested Saturday in front of Prime Minister Justin Trudeau's Papineau riding office in Montreal in an effort to kick start stalled negotiations over a new collective agreement.

SINGAPORE: **Inside Retail Asia**: SingPost eCommerce delivered soaring sales growth – and expenses – in the last quarter. Revenue in the three months to June 30 grew a robust 30.9 per cent to S\$333.4 million, buoyed by continued expansion of cross-border eCommerce-related activities, and the inclusion of contributions from new subsidiaries. But net profit attributable to equity holders declined 23.0 per cent to \$35.9 million, due largely to one-off gains from the divestments of Novation Solutions and DataPost HK in the corresponding period last year. Underlying net profit, which excludes one-off items, was down 11.2

per cent, due to investments in business transformation. Interim group CEO Mervyn Lim said the company continued to invest in its business transformation and that will take time to contribute materially to earnings.

August 5, 2016

POSTAL/FEDERAL NEWS

USPS Office of the Inspector General: [Executive Officer Compensation for Calendar Year 2015](#)

Background. The Postal Accountability and Enhancement Act of 2006 amended 39 U.S.C and revised the cap on total compensation payable to U.S. Postal Service employees. As a result of this revision, the Postal Service could not pay an employee more than \$203,700 for calendar year 2015. There are two exceptions: some employees may have annual compensation of up to \$235,300 with a bonus or reward program approved by the U.S. Postal Service Board of Governors and employees in critical positions may have annual compensation of up to \$282,360. Compensation includes annual salary, merit lump sum payments, bonuses, awards, and annuity payments. *Our objective was to determine whether the Postal Service complied with applicable provisions of the Postal Accountability and Enhancement Act of 2006, Postal Service policies and guidelines, and IRS regulations for calendar year (CY) 2015 executive officer (officer) compensation.*

What The OIG Found. The Postal Service complied with the applicable provisions of the Postal Accountability and Enhancement Act of 2006, its own policies and guidelines, and IRS regulations for CY 2015 officer compensation. We identified an insignificant reporting issue that did not affect the disclosure requirements. We noted the Postal Service incorrectly reported total compensation in the annual Comprehensive Statement on Postal Operations for two officers. Management reported two officers as exceeding the Executive Level I cap by \$4,699 and \$9,318 rather than \$4,646 and \$9,060, respectively. The differences of \$53 and \$258, respectively, represent financial counselling benefits. The Postal Service appropriately excluded financial counselling benefits; however, management mistakenly used incorrect amounts because documentation did not disclose detailed benefit information. This error did not impact the disclosure requirements or the personnel included in the Comprehensive Statement on Postal Operations.

What The OIG Recommended. We discussed this insignificant observation with management, who acknowledged the mistake and implemented a process to ensure a more comprehensive source document is used for financial counseling benefits in the future. Therefore, we are not making a recommendation.

Attention Business Customer Gateway and PostalOne!® Users: PostalOne! Release 44.0.0.0 will deploy on Sunday, August 14, 2016 from 12:00 AM to 10:00 AM CT. The PostalOne! system will not be available during this time. New Mail.dat Client Required – Mail.dat Client 44.0.0.0_PROD will be required with this release. All older Mail.dat Client versions will expire. Mailers can download the new client from

the Business Customer Gateway (BCG) using the following path: Mailing Services; Electronic Data Exchange [Go to Service]; Mail.dat download (Windows 32-bit, Windows 64-bit or Solaris) PostalOne! Release 44.0.0.0 TEM deployment will occur on Monday, August 15, 2016 from 6:00 AM to 3:00 PM CT. The TEM environment will not be available during this time. Release notes for Release 44.0.0.0 are posted on RIBBS

at https://ribbs.usps.gov/intelligentmail_schedule2016/releases/aug2016/releasenotes.cfm.

DMM Advisory: [Revised Publication 52, Hazardous, Restricted, and Perishable Mail.](#)

NATIONAL NEWS

Bloomberg: ["Going Postal: Congress Under Pressure to Address USPS Costs"](#)

Washington Post: Democratic presidential nominee Hillary Clinton said she wants to expand high-speed Internet access to every home and business across the country.

Washington Post: The Amazon logo is already on e-readers, tablet computers, and the countless cardboard boxes on America's doorsteps. Now, though, the familiar, swooping arrow is about to show up somewhere new: Plastered on the side of a Boeing 767. The e-commerce giant on Friday is set to show off the aircraft it has dubbed "Amazon One," a plane that is among a fleet of 40 leased from two air-freight companies in an effort to improve a supply chain straining to keep pace with the retailer's growing sales and its swelling ranks of Prime members. The move to create its own fleet of planes is part of a broader blitz of investment by Amazon to shore up its delivery capabilities. Amazon says its planes and trucking trailers are largely meant to help move goods from one Amazon warehouse to another, rather than to facilitate delivery of orders to customers. And, in that way, the company says its forays into the logistics arena are intended to complement the business it does with UPS and FedEx, not replace them. Even as Amazon ventures into new territory with its trucking and air fleets, it continues to make other more familiar investments in its logistics capabilities. The retailer has famously been plowing millions of dollars into building a network of fulfillment and sortation centers that enable its promise of two-day shipping on Prime orders. In this quarter alone, the company is set to open 18 fulfillment centers, or three times the number it opened in the same quarter in 2015. These retailer hopes these efforts will make it better prepared for the coming holiday season crush. Last year, fulfillment costs soared in that quarter as demand increased at its warehouses.

Washington Post: *Rep. Michael McCaul (R-Tex.) chairs the House Committee on Homeland Security --* The House of Representatives recently passed a number of bills designed to combat the epidemic of dangerous drugs sweeping across the United States. No congressional district has been spared from this problem, and people are dying at an alarming rate from the use of fentanyl, bath salts, flakka, K2, Spice and other synthetic drugs. But lawmakers failed to act to close a major entry point for these terrible drugs into the United States: the global postal system.

Anyone with a laptop, wireless access and a credit card can order these poisons over the Internet from abroad and have them shipped directly to their home through the U.S. mail. This is not a new problem — Congress has held extensive hearings on this issue, starting as far back as 2000. According to the Department of Homeland Security, more than 340 million packages enter the United States through the international mail stream, with little or no electronic manifest data associated with them. Our federal law enforcement agencies have no way to perform risk assessments on incoming postal shipments before they arrive and are forced to manually screen millions upon millions of postal parcels in an attempt to intercept these deadly drugs.

In contrast, private transportation companies such as UPS and FedEx are required to provide electronic manifest data to U.S. Customs and Border Protection in advance of the packages arriving in this country, enabling systematic and more effective screening to try to ensure that these drugs are detected and seized. Meanwhile, our customs officers are left to guess the contents of huge sacks of parcels and packages — searching for needles in haystacks — entering the United States via the postal system.

Drug dealers know this and use the global postal system to deliver their deadly goods into our homes and communities. The Trade Act of 2002 requires that advanced electronic manifest data accompany packages coming into the United States via private shipping companies. However, rather than require the Postal Service to comply immediately with that requirement, the law directed the Department of Homeland Security and the Treasury Department, in consultation with the U.S. postmaster general, to determine whether it is “appropriate” to apply this important provision to the Postal Service. Such a determination has yet to materialize. *Congress did not intend for the Postal Service, a government agency, to become the import vector of choice for drug dealers.*

Government Executive: The U.S. Postal Service is pushing back against an effort from Congress to give more of its employees external appeal rights on negative personnel actions. Postmaster General Megan Brennan, in a recent letter to the House Oversight and Government Reform Committee, raised concerns with giving certain employees access to the Merit Systems Protection Board. The bipartisan leaders of that committee introduced a bill earlier this year that would, as part of its larger USPS reform efforts, give workers on the non-unionized Executive and Administrative Schedule the right to appeal to MSPB. Brennan said extending the appeal rights to EAS employees -- which covers non-bargaining workers in supervisory, professional, technical, clerical, administrative and managerial positions -- would “raise a number of problems.” She called the provision “unnecessary.” In response to her message to Congress, the National Association of Postal Supervisors sent a letter of its own to Brennan, criticizing the postmaster general’s opposition to expanded appeal rights. The stance, NAPS said, ran in direct opposition to views voiced by postal leadership over the last several decades.

PC Magazine: In a recent article in Digital Marketing Magazine, Stephen Upstone, CEO and co-founder of LoopMe, argued that “artificial intelligence is the future of the advertising industry, not an add-on or a

nice-to-have but a fundamental component of each campaign. By implementing this technology not only can we improve short-term campaign results for brands, but long-term online experiences for us all."

National Academy of Public Administration: The National Academy of Public Administration (the Academy) today announced with great regret that President and CEO Dan G. Blair will step down this fall after more than five years at the helm of the Academy. At its June 30, 2016 meeting, the Academy's Board of Directors unanimously adopted a resolution commending Mr. Blair for his accomplishments and service to the Academy since he first was appointed President and CEO in July 2011. That resolution recognized Mr. Blair for his contributions to the Academy. Blair had served for several years as the Chairman of the Postal Regulatory Commission and also as Deputy Administrator of the U.S. Office of Personnel Management.

INTERNATIONAL NEWS

AUSTRALIA: **Crypto Coin News:** Australia Post Accelerator has joined firms from across the globe that are experimenting with the blockchain technology which powers bitcoin. It is exploring three potential areas in which it believes blockchain can be developed: identity, registries, and e-voting.

AUSTRALIA: **ATN:** The link between forward looking international logistics operator Aramex and Australia Post has deepened, with the government-owned local postal giant looking to build a global presence through the Dubai-headquartered company.

UNITED KINGDOM: **Post & Parcel:** "Whistl: Royal Mail remains "unpunished, unrepentant and unrestrained" -- "Whistl is happy that Royal Mail is able to make a reasonable rate of return on the mail it provides, and would like to provide even more, if given opportunities to do so, however this review sees Royal Mail remain unpunished, unrepentant and unrestrained for its anti-competitive activities. "Greater and more constructive collaboration with the mail market is the way forward. Ofcom should encourage better ways of working so that Access operators and their customers have an ability promote jointly the use of mail, to feed into the change process and help Royal Mail tackle the inefficiencies that exist in its business."

NEW ZEALAND: **Stuff:** The postie's arrival at North Shore homes is about to get even more exciting, as they ride in on shiny red, electric delivery buggies. The North Shore is the first region of Auckland to experience the footpath-compatible vehicles called "Paxsters"- designed and manufactured in Norway. In recent years, New Zealand Post has seen a transition to delivering a majority of parcel post as opposed to traditional mail. Mr Bisi Adegbuyi, new Postmaster-General, Nigerian Postal Service, says his vision is to have a NIPOST that will be competitive and deliver on its core responsibilities. He promised to introduce a new orientation that would make the agency deliver on its mandate.

UNITED KINGDOM: **Post & Parcel:** The UK market regulator Ofcom published its annual Communications Report today, and its review of the postal sector found that addressed letter volumes not only continued to fall in 2015 (by 3.7% to 12.2bn), but they did so at a faster rate than in 2014. Addressed

letter revenues were also down by 2% to £4.2bn. There were some other statistics which gave a stark picture of how “digitalisation” has affected the postal world: 23% of adults say that they are sending fewer items of post than two years ago; 21% of adults say that they have sent no post in the last month; and in the 16-34 age bracket, this figure rises to 31%; Nearly half of UK adults (47%) say that they only use post if there is no alternative. The Ofcom report underlined just how important direct mail and other business-related products are to Royal Mail – and posts generally.

August 4, 2016

POSTAL/FEDERAL NEWS

USPS Industry Alert: Mailer Scorecard Available for Review. The eInduction Quality Metrics within the Mailer Scorecard have been tested and validated and are ready for use. We encourage all mailers participating in the eInduction program to begin reviewing their July Metrics which can be found within the eInduction Tab of the Mailer Scorecard. Reference section 4.3 eInduction Tab via the following link to access information on the metrics: Guide to Streamlined Mail Acceptance For Letters and Flats Reporting. If you notice any irregularities or have any questions with the Mailer Scorecard the USPS will host hotline calls scheduled for every Wednesday and Friday till October 2016. You can also contact the PostalOne! Helpdesk at 800-522-9085 or via email at postalone@usps.gov to report irregularities or ask questions. Please include the phrase “Mailer Scorecard” in the subject line of the email. Dial in information for the Mailer Open Line calls: Wednesdays and Fridays (2:00pm EDT) US/Canada Attendee Dial-in: 1-855-860-7461 (US) Attendee Direct
URL: <https://uspsmeetings.webex.com/uspsmeetings/j.php?MTID=mef6ed0d2d8023631b8a1f19aba177b27>
Conference Code: 867 702 1992

Note: One item that impacts a small number of eInduction mailers remains open. Today the eInduction system identifies a Mis-shipped error for containers containing sacks of Periodicals, Standard Mail and Bound Printed Matter when the pallet placard in the eDoc does not coincide with the destination facility. The eInduction system will be enhanced to use sack-level data and the eDoc entry location of the container to evaluate mis-shipped errors for sacks on pallets. This enhancement is scheduled to be implemented in November 2016.

USPS Industry Alert: CHARLESTON P&DC Power Outage -- The CHARLESTON P&DC NASS Code 250 (Address: 1000 CENTRE WAY, WV 25309; Locale Key: X28291) will be experiencing a coordinated Power Outage on Saturday, August 6th from 0600 to 1800 and will be unable to accept drop shipment during this time. USPS is reaching out to the mailers who have scheduled appointments during this time window. USPS imposed a contingency during this time frame to restrict additional appointments from being made while CHARLESTON is without power. Pittsburgh P&DC will accept Standard Drops if necessary during CHARLESTON's outage.

August 3, 2016

POSTAL/FEDERAL NEWS

Federal Register:

- **Postal Regulatory Commission**
-

PROPOSED RULES Procedures Related to Motions, 51145 [2016–18170] [[TEXT](#)]

NOTICES New Postal Products, 51220 [2016–18310] [[TEXT](#)]

INTERNATIONAL NEWS

NETHERLANDS: [NLTimes](#): A number of retailers who manage a PostNL parcel point filed a lawsuit against the postal service's decision to reduce their fees, retail association VVP said to broadcaster NOS. According to the association, the fee cut costs a shopkeeper an average of 9 thousand euros per year.

GERMANY: [Bloomberg](#): A two-thirds jump in quarterly net profit is always something to celebrate, but it carries a warning for Deutsche Post DHL too. The postal giant's blow-out quarter owed much to a fast-growing business delivering packages on behalf of e-commerce companies. While it's always nice to do well, such stellar performance will reinforce Amazon's view that there's gold in Germany's parcel delivery market -- and that it might not want to send so much lucrative business Deutsche Post's way. Revenue at the German group's eCommerce-Parcel business jumped 14 percent year-on year.

GERMANY: [Reuters](#): German postal and logistics company Deutsche Post DHL Group is selling its long-distance bus unit, Postbus, to market leader Flixbus due to tough competition, it said on Wednesday. Germany liberalised the long-distance bus market in 2013, prompting a flood of entrants onto the market including the bright-yellow Postbus, but also quickly leading to cut-throat price competition, insolvencies and consolidation.

August 2, 2016

POSTAL/FEDERAL NEWS

USPS Industry Alert: Mailer Scorecard Available for Review. The eInduction Quality Metrics within the Mailer Scorecard have been tested and validated and are ready for use. We encourage all mailers participating in the eInduction program to begin reviewing their July Metrics which can be found within the eInduction Tab of the Mailer Scorecard. Reference section 4.3 eInduction Tab via the following link to access information on the metrics: [Guide to Streamlined Mail Acceptance For Letters and Flats Reporting](#). If you notice any irregularities or have any questions with the Mailer Scorecard the USPS will host hotline calls scheduled for every Wednesday and Friday till October 2016. You can also contact the *PostalOne!* Helpdesk at [800-522-9085](tel:800-522-9085) or via email at postalone@usps.gov to report irregularities or ask questions. Please include the phrase "Mailer Scorecard" in the subject line of the email. Dial

in information for the Mailer Open Line calls: Wednesdays and Fridays (2:00pm EDT) Dial-in: 1-855-860-7461 (US) Attendee Direct

URL: <https://uspsmeetings.webex.com/uspsmeetings/j.php?MTID=mef6ed0d2d8023631b8a1f19aba177b27> Conference Code: [867 702 1992](https://uspsmeetings.webex.com/uspsmeetings/j.php?MTID=mef6ed0d2d8023631b8a1f19aba177b27)

Press Release: Postmaster General and CFO Host Media Call on U.S. Postal Service Fiscal Year 2016 Third Quarter Financial Results. When: Tuesday, August 9, 2016 9:00 a.m. ET. How to Participate: Important Notice: To ensure your computer is set up to join the event, click on the link: <https://www.webex.com/ip/jointest/>. US/Canada Attendee Dial In: 855-293-5496. Conference ID: 50364089. Attendee Direct

URL: <https://usps.webex.com/usps/onstage/g.php?MTID=e27d1d175d81115ce66c680f7346dd5e6> If you cannot join using the direct link above, please use the alternate logins below: Alternate URL: <https://usps.webex.com> Event Number: 994 695 231 The briefing will also be available on live audio webcast (listen only) at: <http://about.usps.com/news/electronic-press-kits/cfo/welcome.htm>.

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. Attendee Information -- Dial-In: 1-855-860-7461 Conference Code: 867 702 1992

Federal Register:

- **Postal Service** Procedures Relating to the Disposition of Property Acquired by the United States Postal Service Office of Inspector General for Use as Evidence, 50624–50625 [2016–18234] [\[TEXT\]](#)

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USPS Office of the Inspector General:

- [The Freebie that Pays](#)

Historically, the Postal Service had a stronger position in the samples market than it does today. Companies once saw more value in mailed samples compared to other marketing channels because the potential for attracting and retaining customers outweighed product and postage costs. But, in the last decade or so, rising postage and other means of distributing samples – in stores, conventions, trade shows, etc. – has driven a decline in this type of direct mail. Still, given the value of samples – 92 percent of consumers surveyed by USPS reported they bought a product after trying a sample – the Postal Service has tried a variety of programs to increase revenue from mailed samples

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- [Internal Controls over Voyager Card Transactions – LAX Los Feliz Station, CA](#)
-

BACKGROUND. The U.S. Postal Service Office of Inspector General (OIG) uses data analytics 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.) and exceeding Long Life Vehicle (LLV) and Ford Windstar tank capacities at the LAX Los Feliz Station, CA. 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 over the LLV and Ford Windstar fuel tank capacities and assess internal controls over the Voyager card purchases at the LAX Los Feliz Station.

WHAT THE OIG FOUND. The OIG tripwire identified 112 of 570 transactions (20 percent) valued at \$6,345 were made outside of normal workhours. We found the site delivered mail and Amazon products to customers and other post offices from 1 a.m. to 11 p.m. from November 2015 to January 2016; therefore, we considered these transactions valid fuel purchases. Additionally, the Voyager credit card tripwire identified 114 of 570 transactions (20 percent) where the amount of fuel purchased exceeded the LLV and Ford Windstar tank capacities. Reviewing Voyager card transaction supporting documentation, we verified 111 of 570 transactions exceeded the tank capacities by at least 1 gallon. The total value of the excess fuel was \$2,543.06. The site manager did not exercise due diligence completing the required monthly Voyager card reconciliation. Specifically, he did not review receipts for allowable gallons and question overcapacity transactions. We referred the information to the OIG's Office of Investigations for further review. Also, we determined controls over Voyager card transactions needed improvement. The site manager did not:

- ♣ Require receipts or other documentation to explain missing receipts. In evaluating missing receipts, we reviewed 165 of the 570 total transactions and identified 37 transactions, valued at \$2,203.24, that were missing receipts or the July 28, 2016 Internal Controls over Voyager Card Transactions – LAX Los Feliz Station, CA Report Number FT-FM-16-004 required supporting documentation to explain the missing receipts.
- ♣ Actively monitor driver PINs. We identified 58 transactions made by employees using PINs not assigned to them. We also referred this information to

the OIG's Office of Investigations for further review. When internal controls are not in place and functioning, Voyager card holders may misuse the card to make unauthorized or improper purchases. Further, the practice of sharing PINs inhibits accountability of purchases by driver, making it more difficult for site managers or their designees to identify unauthorized use. As a result of the audit, management agreed to stop the practice of sharing PINs. In addition, the site manager contacted U.S. Bank to deactivate shared PINs. As of May 16, 2016, U.S. Bank confirmed the deactivations and provided an updated PIN list.

WHAT THE OIG RECOMMENDED. We recommended management establish controls to ensure the Voyager card policy for monthly reconciliation high-risk transactions, missing receipts, and PIN security are followed.

NATIONAL NEWS

[*The Hill*](#): *Frederic Rolando* -- Bipartisan bills that address real national problems are rare these days. Maybe it is not surprising that the Oversight and Government Reform Committee (OGR) produced a bipartisan postal reform bill in July, given that the self-supporting Postal Service is by far the most popular government agency – it had an 84 percent favorability rating in a recent Pew Research survey. But Oversight and Government Reform Chairman Jason Chaffetz and Subcommittee on Government Operations Chairman Mark Meadows deserve a lot of credit for working with Reps. Elijah Cummings (D-Md.), Gerry Connolly (D-Va.) and Stephen Lynch (D-Mass.) to strengthen an agency that is crucial to the \$1.4 trillion mailing industry that employs 7 million private sector workers and 600,000 postal employees across the country.

August 1, 2016

NATIONAL NEWS

[*eCommerceBytes*](#): Stamps.com CEO Ken McBride accused some on Wall Street of circulating meritless theories about its business model and risks in order to capitalize on the negative impact on its stock price. He said traditionally, USPS has viewed Stamps.com as a technology partner, and as such, compensates Stamps.com for its role as a technology partner. Stamps.com Chief Financial Officer Kyle Huebner explained that a significant number of Stamps.com's largest customers have direct Negotiated Service Agreements (NSAs) with the USPS, and a lot of Stamps customers have direct CPP rates (Commercial Plus Pricing) rates from the USPS. The reason the USPS partners with resellers is "in order to address the lower volume customers," Huebner explained - not just to attract them, but to retain those lower volume shippers as well.

INTERNATIONAL NEWS

JAPAN: [*Nikkei*](#): Japan Post will cut shipping rates on compact parcels for retail customers by up to 30% starting this October to tap demand among individuals selling such items as clothing and books

online. The new rates will apply to packages whose dimensions add up to no more than 60cm and weigh up to 1kg. Retail customers will pay 250 yen (\$2.45) to ship packages up to 1cm thick, 300 yen for those up to 2cm thick, and 350 yen for up to 3cm thick. The postal service aims to handle an annual 5 million to 6 million such packages. Attaching a special label will allow customers to drop the parcels off in regular collection boxes. Japan Post will offer tracking and as a rule deliver the shipments within two days.

[MORE NEWS](#)