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USPS Adds to Sunday Deliveries for Holidays

Consumers want delivery when they are home to receive it and the Postal Service will take advantage of that by increasing its business this holiday season by offering what is likely to be appreciated: next-day service with packages delivered Sundays to your home.

The program, available in twenty major U.S. cities, allows consumers to place online orders with participating retailers before a cutoff time on Saturday, the Postal Service said. Postal carriers will pick up merchandise from local stores for delivery the following day, similar to the Sunday package deliveries it now handles almost exclusively for online leader Amazon in much of the U.S.

As of today, we were unable to locate a list of participating retailers for this new pilot program.

The next-day weekend service is one of several responses to steady declines in the more profitable First-Class Mail volume.

The Postal Service is counting on high package volume this holiday season, with nearly 850 million

U.S. parcels delivered from Thanksgiving to New Year's Eve, according to figures compiled by industry tracker ShipMatrix Inc. for the *AP*. A 13% increase from 2016 would exceed the single-digit percentage growth for UPS and FedEx, putting the Postal Service on track to capture 45.6% market share in peak holiday deliveries, ShipMatrix reports.

The Postal Service's growth this holiday season is expected to reduce demand for UPS and FedEx service. Their demand is expected to drop in market share, to 31.3% and 17.8%, respectively, according to the ShipMatrix analysis. <https://www.usatoday.com/story/money/holidays/2017/11/01/postal-service-eyes-next-day-sunday-delivery-holidays/820904001/>.

The USPS holiday plans include added postal delivery on Sundays beginning Nov. 26 and delivery on Christmas Day in some cities, the Postal Service said. It also offers a new online tool that allows consumers to reschedule package deliveries to ensure someone is home to receive them.

Holiday Shipping Season Deadlines

Once the shopping is done, the next challenge is to ship items to their destination in time for the holiday's festivities. What follows are this season's deadlines for the nation's three largest shippers: the Postal Service (USPS), Federal Express Corp. (FedEx), and United Parcel Service, Inc. (UPS).

USPS

The Postal Service will deliver more than 15 billion pieces of mail this holiday season. In the period between Thanksgiving and New Year's Day, the Postal Service also expects to deliver 850 million packages, which is more than a 10% increase compared to the same period last year. "The Postal Service is well prepared to meet our customers' needs during the holiday season, especially as demand for package deliveries continues to grow," said Megan J. Brennan, Postmaster General and CEO.

The Postal Service will be expanding its Sunday delivery operations to locations with high package volumes beginning Nov. 26. The Postal Service already delivers packages on Sundays in most major cities, and anticipates delivering more than six million

packages on Sundays this December. Mail carriers will also deliver packages on Christmas Day in select locations.

"America relies on the Postal Service and our 640,000 dedicated employees to deliver the holidays," said Ms. Brennan. "We take great pride in our holiday readiness and preparation, and in our ability to offer reliable, predictable and affordable service in every community in America."

With an increase in early and online shopping for gifts, there is no longer a "busiest day" for holiday shipping. Instead, the Postal Service's busiest time is now two weeks before Christmas. Starting the week of Dec. 11, customer traffic is expected to increase, with the week of Dec. 18-24 predicted to be the busiest mailing, shipping, and delivery week. During this week, nearly three billion pieces of First Class Mail, including greeting cards, will be processed and delivered. The Postal Service also expects to deliver nearly 200 million packages per week during these two weeks.

While there may not be a busiest day for shipping this year, the Postal Service anticipates that Dec. 18 will

(Continued on Page 3)

Short Takes

Prior to Prime Day, Consumer Intelligence Research Partners estimated 80 million people were Prime members, up from 58 million at the same time in 2016.

As of Sept. 30, Amazon Prime had more than 90 million users in the United States, up 40% from a year earlier, according to the same researchers.

As reported above, Amazon also is extending its Prime membership program to businesses. (*See BMR 11/06/2017, p. 5.*) *Retail Dive* reports: “Staples and Office Depot, which are each scrambling to strategize growth after their merger plans failed to pass muster in court last year, must be grinding their teeth as news from Amazon Business continues to roll out.” The companies predicted just such a phenomenon when they defended their proposed merger as helping to maintain market competition, not suppress it.

Adrien Nussenbaum, U.S. CEO and co-founder of marketplace firm Mirakl, told *Retail Dive* in an email: “Amazon and B2B companies are recognizing the importance of having an aggressive e-commerce plan, . . . In just five years since first launching AmazonSupply, Amazon Business has amassed over 1 million business customers. For this reason, it’s imperative that manufacturers and distributors seek out new business models to better serve customers. Otherwise they’re about to get ‘Amazoned.’” <https://www.retaildive.com/news/amazon-launches-prime-for-business-customers/508096/>.

Halloween Express—pop-up shops for spooktacular events—says it has increased its foot traffic by combining an omnichannel approach that lets consumers buy online and pick up in the store (BOPIS). The company’s chief operating officer Brad Butler recently told *Digital Commerce 360* that the BOPIS model works well for seasonal stores like Halloween Express: “I would have thought that it would have been standard for any seasonal retailer now, but I’m shocked that it isn’t.” Butler

adds. “It’s not an easy thing to do, but my goodness, go to any retailer today and probably one of the most popular things they offer is buy online, pick up in store.” Find out why BOPIS has worked so well for this brand by reading more at: <https://www.digitalcommerce360.com/2017/10/27/halloween-express-seasonal-retailers-shouldnt-fear-in-store-pickup/>.

United Parcel Service, Inc. (UPS) has announced rate increases for 2018. Effective on Christmas Eve are new rates for UPS Ground, Air and International services, plus UPS Air Freight rates within and between the U.S., Canada and Puerto Rico. The average increase, effective Dec. 24, is 4.9%.

FedEx Corp. in September announced it will increase its rates an average of 4.9% starting Jan. 1.

UPS said Ground volume, which is its largest category, averaged 13.175 million packages daily in Q3/FY 2017 (ending Sept. 30), up 3.4% from 12.743 million packages in the same period last year, UPS said.

Total U.S. package volume also increased 3.4%, to 15.885 million packages compared with 15.364 million in Q3/FY 2016.

Average U.S. revenue per package was up 2.0% in the third quarter, at \$9.64 per package compared with \$9.45 in the same period last year.

International package volume increased 11.3% to 3.103 million from 2.788 million last year.

Amazon has already launched its Black Friday deals, including free shipping on more than 100 million items for Prime members and non-Prime customers making purchases of \$25 or more (beating Walmart’s free shipping threshold of \$35, *see BMR 11/06/2017, p. 8*), according to a company press release.

Get ready for Alibaba’s Single’s Day sales scheduled for Nov. 11 (11/11). The event starts with a celebrity-driven “countdown gala” beginning on Nov. 10, according to a press release.

Holiday Season Shipping Deadlines... (cont. from page 1)

be the Postal Service's busiest day online with more than seven million customers predicted to visit *usps.com* for help shipping gifts. Customers can avoid holiday hassles by visiting *usps.com*—the Postal Service's website that helps make mailing and shipping easier than ever. Millions of customers will skip the trip to the Post Office altogether and take advantage of convenient online shipping this holiday season. Click-N-Ship and other online services allow customers to order free Priority Mail boxes, print shipping labels, purchase postage and even request free next-day Package Pickup from the mail carrier.

The Postal Service offers a new feature this year to help track and schedule package delivery. The Informed Delivery tool not only allows one see incoming mail and packages, it also allows one to reschedule delivery of packages to ensure someone is home to receive them.

The Postal Service recommends the following mailing and shipping deadlines:

Nov. 6 APO/FPO/DPO USPS Retail Ground
 Dec. 11 APO/FPO/DPO Priority Mail & First Class Mail
 Dec. 14 USPS Retail Ground
 Dec. 15 Hawaii to Mainland Priority Mail & First Class
 Dec. 16 APO/FPO/DPO USPS Priority Mail Express
 Dec. 16 First Class Packages (up to 15.99 ounces)
 Dec. 19 First Class Mail (including greeting cards)
 Dec. 20 Priority Mail
 Dec. 20 Hawaii to Mainland Priority Mail Express
 Dec. 20 Alaska to Mainland Priority Mail & First Class
 Dec. 21 Alaska to Mainland Priority Mail Express
 Dec. 22 Priority Mail Express

Additional news and information, including all domestic, international and military mailing and shipping deadlines, can be found at the Postal Service Holiday Newsroom at *usps.com/holidaynews* and *http://about.usps.com/news/national-releases/2017/pr17_063.htm*.

FedEx

Raj Subramaniam, FedEx Executive Vice President, Global Strategy, Marketing and Communications, on the company's late June fiscal year 2017 fourth quarter earnings call said: "The expectation is for another record peak season with multiple days that'll set records for package pickup and delivery." His focus, at that point in time, was on pricing, and not on predictions of the biggest days of the holiday season. "We continue to work directly with a relatively small number of large customers that drive the majority of the surge and

demand to ensure that we have appropriate pricing related to volume expectations and capacity needs."

The company's pricing schedule is to apply holiday season surcharges on those few large shippers whose business creates the most strain on FedEx's resources. FedEx makes the following statements about 2017 holiday season surcharges on its website:

- FedEx is not charging incremental holiday residential surcharges on packages. See the table on the website for details on increased Additional Handling, Oversize and Ground Unauthorized Surcharges that may apply during the holiday season. *http://www.fedex.com/us/shipping-rates/surcharges-and-fees.html*.
- Delivery Area Surcharge will apply to FedEx First Overnight shipments effective Jan. 1, 2018.
- The surcharge, fee, and other changes below reflect current information as of Sept. 18, 2017.

A recent article from *Logistics Management* explains that: "The FedEx approach is more 'surgical' and aimed at the few shippers that present the greatest challenge to serve, [Subramaniam] said, while UPS has decided to just impose pain based on service selected, date shipped and the residential attribute." (See *discussion of UPS holiday surcharges below, 11/06/2017, p. 4.*)

The same article goes on to explain: "The UPS approach has the potential of harming non-seasonal residential shippers like Express Scripts and CVS and other prescription benefit management firms, as well as firms like Dell that ship laptops year round to residences. Like everything in the world of parcel, accessorial prices and rates are negotiable. Not everyone is going to be paying rack rates this Holiday." *http://www.logisticsmgmt.com/article/peak_season_planning_is_top_of_mind_for_ups_and_fedex.*

The last day to ship via FedEx Express, FedEx Ground, and FedEx Home Delivery so your shipments are scheduled to arrive on or before Monday, Dec. 25 are now available:

Dec. 21 FedEx 2Day (delivery on Saturday, Dec. 23). A \$16 Saturday delivery fee will apply per package.
 Dec. 22 FedEx First Overnight, and FedEx Priority Overnight (delivery on Saturday, Dec. 23). A \$16 Saturday delivery fee will apply per package.
 Dec. 25 With FedEx SameDay service and some other expedited services, you can ship on Christmas Day or any other day of the year. FedEx SameDay is available 24 hours a day, 7 days a week, 365 days a year for your most urgent shipments.

Some last shipping dates require you to look online for specific service information: FedEx Ground will not deliver on Saturday, Dec. 23. Check out FedEx Ground Service Maps to determine the day-definite transit time of your FedEx Ground shipments.

You can find the delivery time and FedEx delivery choices for your U.S. and international shipments by using the Get Rates & Transit Times application at fedex.com.

For a list of offices and hours of operation, see <http://www.fedex.com/us/service-guide/holiday-schedule.html> and <http://www.fedex.com/us/holiday/holiday-service-schedule.html>.

UPS

UPS takes a different approach when handling its peak season's volume. As discussed above, it will apply holiday season surcharges in 2017 to address its expansion of operations for the season. In June, UPS announced a new peak holiday season charge applicable during selected weeks in November and December. The increase means that every residential package shipped at some point during the Christmas holiday will incur price increases. Residential packages will increase as follows:

- UPS Next-Day Early, Next-Day Air, Next-Day Air Saver: \$0.81 per package, Dec. 17-23, 2017
- UPS Second-Day Air A.M., Second-Day Air, Three-Day Select: \$0.97 per package, Dec. 17-23, 2017
- UPS Ground (including ground with freight pricing): \$0.27 per package, Nov. 19-Dec. 2, 2017 and Dec. 17-23, 2017
- UPS SurePost: \$0.36 per package, Nov. 19-Dec. 2, 2017 and Dec. 17-23, 2017.

Other holiday increases include:

- Residential packages shipped from an origin within the 48 contiguous states to a destination within Alaska, Hawaii or Puerto Rico will increase \$2.99 for all services from Nov. 19-Dec. 2, and from Dec. 17-23
- Large Package Surcharges (length plus girth over 130 inches) will increase an additional \$24 from Nov. 19-Dec. 23
- Over-Maximum Limit surcharges (actual weight over 150 lbs., single side over 108 inches, or over 165 inches in length plus girth) will increase an additional \$249 from Nov. 19-Dec. 23.

View the UPS surcharge announcement and chart at: http://www.rates.ups.com/pdfs/peak_surcharges.pdf.

The *Logistics Management* article cited already explains: "One of the things made very clear by UPS leadership on [its July 2017 earnings] call, as it relates to Peak Season, is for the company to ensure it is being

properly compensated for its services for this period, given it is typically the most hectic time of the year.

"Last month, we announced peak-season surcharges and we are addressing the impact with customers as we develop peak shipping forecasts for later this year," UPS CEO David Abney said. . . . "These surcharges are necessary to ensure UPS continues to provide customers with the best-in-class value and highly reliable service they've come to expect."

UPS Chief Commercial Officer Alan Gershenhorn expects UPS customers will tolerate surcharges, even though they may be unwelcome: "And while these rate increases, even for a short time, are rarely welcome, our customers really understand and appreciate the value of our network, what we do to provide the service and the capacity for them at peak and year around as well as the cost of doubling of the network," he said. "The peak surcharge . . . is designed to hit the most impacted weeks where we surge in both residential and large packages. And so, for Ground, it's three weeks of the five weeks of peak and for Air, it's only one week, the last week, and then for large package it's five. And our expectations are to have high compliance with the peak season surcharge." http://www.logisticsmgmt.com/article/peak_season_planning_is_top_of_mind_for_ups_and_fedex.

Last shipping days for the 2017 holiday season are:

Dec. 18 UPS 3 Day Select service for delivery before Christmas Day (delivery on Friday, Dec. 22).

Dec. 20 UPS 2nd Day Air packages for delivery before Christmas Day (delivery on Friday, Dec. 22).

Dec. 21 UPS 2nd Day Air service is available for delivery before Christmas Day (delivery on Saturday, Dec. 23). These packages must be processed and labeled for Saturday Delivery. Saturday Delivery is not available to all ZIP codes.

Dec. 21 All UPS Next Day Air packages picked up will be delivered on Friday, Dec. 22.

Dec. 22 UPS Next Day Air packages to be delivered before Christmas Day (delivery on Saturday, Dec. 23). These packages must be processed and labeled for Saturday Delivery. Saturday Delivery is not available to all ZIP codes.

Dec. 23 UPS Worldwide Express, UPS Next Day Air and UPS 2nd Day Air packages processed and labeled for Saturday Delivery.

Dec. 23 Pickup service available for UPS Air and International Air packages for regular Saturday pickup customers. UPS On-Call Pickup service is available to all customers for UPS Air and International Air packages. Pickup and delivery of UPS Ground on

Saturday packages will be available in many metro area ZIP codes.

Dec. 24 UPS Express Critical service available.

Dec. 25 UPS Express Critical service available.

Business Prime Shipping

Business Prime Shipping, Amazon's B2B version of Prime free two-day shipping program, is now serving businesses starting at \$499 for up to ten users on a single account.

The new program, launched in the United States and Germany, resembles the Amazon Prime expedited shipping program for consumers, but there are significant cost savings for large corporations that buy memberships. Individual consumers pay \$99 a year for two-day shipping on all orders at no extra charge, business customers who sign up for Business Prime Shipping will pay as little as \$13 per year per person.

The fee schedules for Business Prime Shipping start at \$499 a year for up to ten users, which comes out to \$49.90 per individual with a ten-user account. A business with up to 100 users pays an annual fee of \$1,299, or as little as \$12.99 per user, and \$10,099 for more than 100 users.

The *Amazon.com* website states that single-user businesses can have their personal memberships serve double-duty: "If you have an Amazon Prime membership on your personal account, you can extend your Prime shipping benefit to your Amazon Business user account for all eligible orders, with no change to your personal Prime benefits. This benefit is intended for single-user business accounts." <https://www.amazon.com/b2b/info/prime?layout=landing>.

Prime members will receive in exchange more than free two-day shipping on "millions of eligible items."

The UPS website does include some additional instructions and price information. To view that, see <https://compass.ups.com/ups-holiday-calendar/>.

Business Prime Shipping users also will have access to special product promotions under Amazon programs Prime Early Access and Prime Day deals.

Amazon Business also operates in the United Kingdom, India, and Japan, but it has not announced plans for offering its Prime Business Shipping service in those countries.

The expansion of the Amazon Prime membership program directly challenges office supply stores, like Staples and Office Depot, as well as other retailers, like Walmart, and warehouse deals stores, like Costco.

"Business Prime Shipping combines the wide selection of products available to Amazon Business customers, with the speed and convenience that customers have come to know and love from Amazon Prime," said Greg Greeley, Vice President of Amazon Prime, in a statement. "We are excited to introduce a shipping program designed to meet the needs of businesses and will continue to innovate on behalf of customers to make business purchasing even easier."

Amazon Business already offers other features larger businesses value, including bulk discounts and exclusive pricing on over five million items, the opportunity to compare offers between sellers, integration with over thirty purchasing systems, approval workflows, reporting and analytics, purchasing cards, and others.

Amazon Builds Massive Warehouse on Staten Island

Amazon.com Inc. already competes successfully against ecommerce businesses and retailers. Its expansion in recent years has focused on placement of warehouses closer to customers. This proximity has made it possible for Amazon.com Inc. to make two-day shipping feasible at a flat cost of \$99/year.

Crain's recently announced the construction of a new Amazon warehouse at the 200-acre Matrix Global Logistics Park on Staten Island's West Shore. Once completed, the new Amazon warehouse will be the city's

largest warehouse complex. The warehouse will be leased, consist of an 855,000-square-foot building, and be ready by September.

Crain's predicts the warehouse's convenient location will offer same-day shipping for a larger variety of items. Read more about the site's unique features at http://www.crainsnewyork.com/article/20171030/REAL_ESTATE/171029891/the-staten-island-warehouses-that-will-fulfill-e-commerce-companies.

Drones Taking Off

The White House has issued an order giving local governments more authority to conduct tests of airborne drones. <https://www.whitehouse.gov/the-press-office/>

[2017/10/25/presidential-memorandum-secretary-transportation](https://www.whitehouse.gov/the-press-office/2017/10/25/presidential-memorandum-secretary-transportation).

President Donald Trump signed an executive

order that could speed the approval of drone flights over crowds and for longer distances, including out of the pilot's line of sight.

The president wants to open new commercial uses for the aircraft and create jobs. At a briefing for reporters, Michael Kratsios a deputy assistant to the president at the Office of Science and Technology Policy, said: "In order to maintain American leadership in this emerging industry here at home, our country needs a regulatory framework that encourages innovation while ensuring airspace safety."

Conducting such tests will require local governments to apply to the Federal Aviation Administration (FAA) for waivers allowing them to conduct tests of deliveries, drone air-traffic systems, long-range flights and other uses generally prohibited under current rules.

The issuance of the soon-to-be-modified regulation structure was promising but still too narrow for drone developers' tastes. The current rules limited operations to short distances and ordered that drones be kept away from crowds.

About 600,000 drone owners in the U.S. have registered with the FAA, but regulations are limiting the benefits the systems may have on new jobs and the economy, according to an Office of Science and Technology Policy blog post found on the White House's website <https://www.whitehouse.gov/blog/2017/10/25/integrating-unmanned-aircraft-systems-national-airspace>.

The pressure has been sky high for a relaxation of tight FAA controls since U.S. drone development teams have taken their test programs to Europe, Australia, and other nations for more permissive testing of the new technology, including systems designed to improve navigation outside of the pilot's line of sight.

Alphabet Inc.'s Project Wing is now testing Mexican food delivery via drone in Australia.

Amazon, another drone developer, celebrated the news. "Amazon supports the administration's efforts to create a pilot program aimed at keeping America at the forefront of aviation and drone innovation," Gur Kimchi, vice president of Amazon Prime Air, said in a statement.

The program grants ultimate control over approval of waivers to the FAA and the Department of Transportation, but it gives localities the right to approve drone operations in their communities "without infringing on the U.S. government's jurisdiction over the national airspace," said Brian Wynne, president and chief executive of the Association for Unmanned Vehicle Systems International.

The tension between federal and local governments has been palpable. At least one legislator would prefer to see communities make the decision to invite more drone traffic. Rep. Jason Lewis (R-Minn.) has proposed legislation to that effect. After he learned of the executive order, he issued a press release saying the program had not yet struck the right balance. It needs to give localities "the ability to take effective action when it comes to putting in place reasonable limitations on public use."

The executive order advances the drone developers' agendas at the expense of the FAA's. It has favored a slower schedule of testing as it seeks ways to resolve security concerns, including concerns over the potential for use of drones in acts of domestic terrorism. The data gathered in test flights will help with both this issues, according to the White House.

The president wants Transportation Secretary Elaine Chao to approve at least five applications from local governments within six months. The applicants can use the drones themselves, such as a police or fire department, or can establish partnerships with businesses using the devices. Once applications are approved, operations should begin within ninety days.

Test flights generally will be within 200 feet (61 meters) of the ground, the lowest tier of operations in U.S. airspace. Flights can go as high as 400 feet. Most helicopters and other low-flying aircraft do not go below 500 feet.

FAA regulations should be "sufficiently flexible to keep pace with the advancement of [unmanned aircraft systems] technology, while balancing the vital federal roles in protecting privacy and civil liberties; mitigating risks to national security and homeland security; and protecting the safety of the American public, critical infrastructure, and the nation's airspace," the memo read.

BI Intelligence reports that other government agencies are preparing for drone deliveries to become commonplace within the next couple of years: "NASA already has plans in place to publish recommendations around air traffic control systems for drones, accelerating the release of such systems, making it possible for limited commercial deliveries to begin in 2020." As air traffic control and autonomous flight systems develop, one could see same-day drone deliveries occurring within the hour. <http://www.dmnnews.com/marketing-strategy/looking-ahead-drones-will-take-marketing-up-up-and-away/article/702282>.

Painless Gift-Giving at Target

Target has an idea for shoppers who can never seem to please a recipient. Instead of shopping and having a gift returned, a consumer can use a feature called GiftNow from e-gifting service provider Loop Commerce to its online store.

GiftNow offers consumers more choices and should reduce the number of gift returns this holiday season. The shopper clicks on a button on a product on Target's website and enters the email address of the gift's intended recipient. The gift recipient gets an email notification about the gift and can alter the size and color of the product or take it as is. Once the gift recipient makes a selection, Target ships the gift. A shopper can even schedule the GiftNow email to arrive on a specific date up to a year in advance of its delivery.

Does advance gift-giving mean the consumer has foregone an opportunity to optimize price? Not necessarily. If a gift goes on sale between the time a shopper buys it and the recipient is notified by email of its selection, the gift recipient will get a Target gift card for the price difference, Target says on its website.

Footwear News says the GiftNow feature is perfect for the hard-to-reach recipient and for gifting of hard-to-make gifts. If Prince Charming used GiftNow, any girl could feel like Cinderella. Her slipper would fit! "The service allows users to purchase footwear and other hard-to-give gifts online without knowing the recipient's size, preferred item color or shipping address. It also takes care of a key concern when it comes to online gifting: Users no longer have to worry about catching shipping cutoffs for key holidays or special occasions because their gift arrives to recipients right away, electronically." <http://footwearnews.com/2017/business/retail/online-gift-giving-egifting-loop-commerce-saks-macys-neiman-marcus-338301/>.

GiftNow also is used by Macy's Inc., Neiman Marcus, Michael Kors Holdings Ltd., and Saks Fifth Avenue, <https://www.digitalcommerce360.com/2017/10/23/target-giftnow-button-free-shipping-holidays/>; <http://footwearnews.com/2017/business/retail/online-gift-giving-egifting-loop-commerce-saks-macys-neiman-marcus-338301/>.

USPS Board of Governors to Meet Nov. 14

The Temporary Emergency Committee of the Board of Governors of the U.S. Postal Service ("TEC") will meet Nov. 14 in open session at Postal Service headquarters, 475 L'Enfant Plaza, SW, Washington, DC. The public is welcome to observe the meeting beginning at 8:00 a.m. ET in the Ben Franklin Room on the 11th floor. The TEC is expected to discuss the following items:

Call to order

Remarks of TEC Chairman/Postmaster General & CEO

Approval of previous minutes

FY2017 10K and Financial Statements

FY2018 IFP and Borrowing Resolution

FY2019 Congressional Reimbursement Request

Quarterly Service Performance Report

Approval of Annual Report and Comprehensive

Statement

Tentative agendas for February 8 and 9, 2018 meetings
Adjourn

Open session meetings of the TEC of the Board of Governors are available on live audio webcasts at <http://about.usps.com/news/electronic-press-kits/bog/welcome.htm>. Three hours after the conclusion of the open session meeting, a recorded audio file will be available for listening. In compliance with Section 508 of the Rehabilitation Act, the audio webcast will be open-captioned.

Following the TEC's open meeting on Nov. 14, Postmaster General and CEO Megan J. Brennan and Chief Financial Officer Joe Corbett will host a telephone/web conference call to discuss the financial results in more detail. The call will begin at 10 a.m. ET and is open to the news media and all other interested parties.

Open Sesame to Deliveries

Latch, a manufacturer of smart door devices that limited access to homes to allow secure deliveries to be made inside multi-unit buildings, announced via a blog post this week that it already has made a delivery in New York City when the unit's occupant was not at home. The launch of live deliveries comes a few months after Latch partnered with online retailer Jet to outfit 1000 apartment buildings in New York City with its smart

access devices. <https://medium.com/latch-access/today-is-a-big-day-secure-unattended-deliveries-are-finally-here-a1d30d3197a3>.

Amazon's Key service also will allow packages to be securely delivered inside homes without having to be there. That service starts Nov. 8 and will be available to Prime members.

Briefs

Retail Dive reports Walmart will triple its online products this year compared to last year. Moreover, prices will roll back instead of forward. Last week, Walmart revealed “thousands of season-long rollbacks on top gifts,” with the toys department alone sporting more than 400 rollbacks on brands like LEGO and Nerf, according to a company blog post.

Another strategy that will help drive holiday online sales is that two-day shipping at Walmart is free for online purchases over \$35, and shoppers qualify for a discount on select items that they order online and pick up in stores. (See *BMR* 11/06/2017, p. 2. for Amazon's pricing.)

The article explains: “Nearly all holiday shoppers (94%) are looking for free shipping options this season, according to the annual survey conducted by Prosper Insights & Analytics for the National Retail Federation. Nearly half will take advantage of conveniences like buy online, pickup in store (49%), while 19% will take advantage of expedited shipping and 12% will use same-day delivery, the NRF also found.” <https://www.retaildive.com/news/walmart-is-throwing-holiday-parties-to-drive-in-store-traffic/509789/>.

Best Buy has jumped on the free shipping bandwagon for the holidays. Free shipping on all orders with no minimum from Oct. 29 to Dec. 25, according to the company's website. <https://www.bestbuy.com/site/help-topics/free-shipping/pcmcat276800050002.c?id=pcmcat276800050002>.

HR Dive reports that: “U.S. salaries have grown

steadily since the summer's decline in pay, Glassdoor Local Pay Reports show. The news comes just ahead of the holiday season, with the biggest increases occurring in in-store and online retail positions. Warehouse associates' pay rose 4.3%, store managers' 4.0%, cashiers' 3.7% and warehouse associates' 4.3%.” <https://www.hrdiver.com/news/wages-benefits-up-slightly-ahead-of-the-holiday-season/509738/>.

Bloomberg News reports that U.S. consumer confidence has reached a seventeen-year high. Americans were more confident about the economy and job market in October, according to the New York-based Conference Board.

In recent months, the labor market has improved and stock prices have climbed. This spurs consumer spending, which fuels more confidence there will be economic growth. These results match those of two other indices. “The University of Michigan's consumer sentiment index climbed in October to the strongest since the start of 2004, while the Bloomberg Consumer Comfort Index is near the highest level of the expansion.” <https://www.bloomberg.com/news/articles/2017-10-31/u-s-consumer-confidence-index-rises-to-highest-level-since-2000>.

“Confidence remains high among consumers, and their expectations suggest the economy will continue expanding at a solid pace for the remainder of the year,” Lynn Franco, director of economic indicators at the Conference Board, said in a statement.

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