
BUSINESS MAILERS REVIEW

*Monitoring the Postal Service, Private Carriers and Suppliers
Published by PNMSI Publishing Co.*

Volume 38, Number 6

March 13, 2017

Stamping Out Ballot “Loss” with Truth

In the days preceding and during the aftermath of the 2016 presidential election, candidate and then president-elect Donald Trump made noise about postal employees having dumped ballots in support of his candidacy. The accusations elicited responsive rhetoric that further heated collars around the D.C. Beltway.

An account of a rally in Golden, Colo. held in October, claims candidate Trump said: “I have real problems with ballots being sent. Does that make sense? Like people saying, ‘Oh, here’s a ballot. Here’s another ballot. Throw it away. Oh, here’s one I like. We’ll keep that one. I have real problems, so get your ballots in.’ Trump also accused election officials of throwing away ballots, as his rally was a mixture of claims of voter fraud and baseless speculation about Hillary Clinton’s emails.” <http://www.politicususa.com/2016/10/29/trump-melts-accuses-postal-service-stealing-election-clinton.html>.

Snopes.com explored the story of an Ohio postal worker discarding ballots and branded it “FALSE.”

It turns out the rumor’s origin was an Oct. 16, 2016, tweet by “@randygdub.” The Twitter handle claimed that he worked for the United States Postal Service in Columbus, Ohio, and enjoyed “ripping up” absentee ballots cast for Donald Trump. The debunking website clarified the situation: “The person who tweeted this was not a confirmed postal worker, much less caught in the act. Many people in the angry camp apparently did not view the rest of @randygdub’s tweets, which are inconsistent and apparently published solely to cause controversy . . .”

No such person is an USPS employee. The Franklin County Board of Elections and the Ohio Secretary of State’s Elections division said Ohio’s absentee ballots are enclosed in not one but two secrecy envelopes, making it impossible for postal workers to identify “Trump votes” without opening envelopes. If a person wanted to discard Trump votes, also destroying Clinton ballots would not have delivered votes to the Democratic candidate. <http://www.snopes.com/postal-worker-caught-destroying-absentee-trump-ballots-in-major-swing-state/>.

Ohio NBC affiliate NBC26 checked the facts, too. It reported: “The USPS also investigated the tweets and said there have been no cases of absentee ballots being destroyed in Ohio and officials do not believe ‘@randygdub’ is a real postal worker.” <http://www.nbc26.com/news/national/usps-says-ohio-postal-workers-are-not-destroying-trump-absentee-ballots-after-tweet-goes-viral>.

The truth is that the Postal Service delivers votes for the citizenry even when they neglect to place postage on their ballots. That’s right. If a voter forgets to put a stamp or the right amount of postage on a ballot, a mail carrier will still deliver it.

“The U.S. Postal Service’s official policy is to deliver all absentee and mail-in ballots, regardless of whether they have proper postage,” spokeswoman Sue Brennan told *Time* magazine. “If there’s no stamp or not enough postage, the Postal Service charges the local board of elections instead.” Exceptions exist for ballots posted overseas or a non-Postal Service facility.

Time points out that: “Twenty-seven states and the District of Columbia allow no-excuse absentee ballots, while 20 states allow voters to request them if they have a reason. Washington, Oregon and Colorado vote entirely by mail. In 2012, more than 6 million domestic voters mailed in their ballots, while another 23 million sent them from overseas, including military bases. In some counties, the ballots are long enough that the postage is more than just the usual 47 cents. In Washington state’s Snohomish County, voters are supposed to pay 68 cents for an over-size envelope or else return the ballot to a drop-off point for free delivery.” <http://time.com/4547550/absentee-mail-ballot-postage-stamp-postal-service-usps/>.

“It’s a little-known secret,” USPS spokesman Gus Ruiz told the *San Francisco Chronicle*. “The Postal Service will always deliver a ballot, whether there is a stamp on it or not. We know how important this mail is, and we want to get it where it belongs as soon as possible.” <http://www.linns.com/news/postal-updates/2016/october/donald-trump-hillary-clinton-election-mail-in-ballots-postage.html>. USPS mail carriers deliver whether news is welcome or not and the fact checkers agree that they do their best even when a voter forgets to put a stamp on a ballot.

Short Takes

The search for a new delivery vehicle for the USPS will not end before current vehicles use up their useful life. That happened some time ago. The latest news from the bidding process is that a decision may be a year away. *Milwaukee Biz Times* reports that “it could be a year before there is clarity . . . on the bidding for the next generation delivery vehicle for the U.S. Postal Service.” This prediction comes from statements made by Rev Group chief executive officer Tim Sullivan. Milwaukee-based Rev Group partnered with Karsan, a Turkish partner, to work on a prototype.

The partners were one of six bidders asked to build a total of 50 prototype vehicles. Bidders were given a year to build prototypes and USPS plans to test them for six months after that.

Other bidders building prototypes include AM General, Mahindra, Oshkosh and VT Hackney. Spartan Motors Inc., maker of the Utilimaster brand, was also included, but has since announced it will instead partner with another of the short-listed companies. (See *BMR* 02/27/2017, p. 1.) The winner of the bid process could provide 180,000 vehicles to USPS. <https://www.biztimes.com/2017/industries/manufacturing-logistics/clarity-on-rev-groups-usps-bid-could-be-a-year-away/>

Postal Service testing of an online program called “Informed Delivery” allows customers to see images of their mail before its delivery. A screen shot of a letter you have not yet received is not nearly as interesting as what is inside the envelope, but it could help a customer decide whether to leave work early to make it to the bank with a check.

Postmaster General Megan J. Brennan predicts that the program, which should be nationwide later this year, will catch on because it “puts the power of mail onto digital channels.”

The program is a side effect of a decision to scan every mailpiece during processing. Grayscale images reach the customer’s email account each morning.

“Informed Delivery engages customers where they want to be—in a mobile and digital environment,” Brennan said when she disclosed plans for the program in a Nashville last year. Ms. Brennan said a test marketing of the service in New York City showed

that 70 percent of those subscribing to the free service were opening their daily notifications, and more than 90 percent were opening their mail previews four times a week.

Included in the mailpieces copied and sent to the customer’s email account are marketing mail, up to ten items a day, including flats, magazines, and catalogs in the future, according to the USPS website.

The service is currently available in parts of California, Connecticut, Maryland, New York, Virginia, and Washington, D.C.

The Postal Service is partnered with the U.S. Postal Inspection Service (USPIS) to promote National Consumer Protection Week (NCPW) Mar. 5-11, 2017. NCPW provides information and services to consumers in an effort to improve their ability to protect themselves and loved ones from fraud. NCPW educates employees as well as the general public about scams that, in particular, target older Americans.

The USPIS has an informative brochure on discussing prevention with senior family members. Tips include:

- Acquire non-published telephone numbers
- Utilize answering machines with a large caller ID display
- Only answer calls identified from known callers
- Avoid providing name and contact information to strangers
- Never offer Social Security numbers or credit card information to unknown sources.

See the full post on the USPS corporate blog: <https://uspsblog.com/national-consumer-protection-week/>.

Staples Inc. will close approximately seventy North American stores before the end of 2017. That announcement came as the office supplies retailer also reported overall Q4/FY2016 company sales fell 4% from the year-ago period, missing the FactSet estimate for \$5 billion cited by *MarketWatch*.

The company has been engaged in a reset of its business plan since its efforts to acquire Office Depot failed. Postal unions also opposed a Staples test program that had office supply employees handling some services traditionally handled by unionized postal employees.

USPS Renews Shipping Deal

Expect FedEx Corp. to remain the biggest supplier to the Postal Service through Sept. 29, 2024. The private shipping company has announced that its FedEx Express subsidiary has extended a 2013 agreement to serve as a primary transporter of U.S. mail. The deal's actual origins date back to 2001. The contract calls for FedEx Express to provide airport-to-airport transportation of USPS Priority Mail Express and Priority Mail within the United States. FedEx Corp. said Feb. 23 that its FedEx Express subsidiary should receive about \$1.5 billion in postal revenues each year under the contract.

“We are pleased to be able to extend this agreement and to continue the outstanding service that FedEx

Express has provided to the USPS for more than 16 years,” David J. Bronczek, president and chief operating officer of FedEx, said in a press release. “This contract provides USPS with the operational reliability and flexibility they have come to expect from FedEx.”

The mail contract helps FedEx because the private shipper uses extra volume from mail to maximize efficiency of its domestic airline fleet and the world hub at Memphis International Airport. The deal is a boon for Memphis, too. FedEx traffic makes up about 38% of revenues that keep the Memphis airport open for carriers. <http://www.commercialappeal.com/story/money/2017/02/23/fedex-usps-extend-air-express-contract-through-2024/98313700/>.

Do Shippers Want Postal Reform?

Observers pick 2017 as the year when the USPS will find a champion in D.C. that will deliver postal reform. But others fear that USPS customers/competitors United Parcel Service and FedEx Corp. might prefer working with an entity burdened with debt and an antiquated business plan.

Morgan Stanley recently reported that a new and improved USPS could pose a threat to its competitors, particularly in ecommerce delivery services. “This is clearly a time of fast-moving, secular developments in the logistics/last mile parcel delivery space, but all signs point to increased—not reduced—competition,” according to the report.

Prospects for postal reform have improved. *Trucks.com* reports: “Congress seems poised to step in. The Republican majority in both houses bodes well for a postal reform bill, HR 756, proposed in January by Rep. Jason Chaffetz, R-Utah. The legislation targets USPS’ substantial healthcare liabilities and seeks to improve its operational flexibility and potentially raise postage prices. It would also partially restore an exigent surcharge that allowed the agency to collect \$4.6 billion in rate surcharges before the provision was rolled back in April.” <https://www.trucks.com/2017/03/06/usps-reforms-threat-fedex-ups/>.

As the same posting reported, there may finally be a will to reform that is bipartisan and supported by labor and government. Even the four major postal employee unions support the legislation.

This could affect the rising fortunes of competitors FedEx Corp. and United Parcel Service, Inc. “We believe a healthier, nimbler USPS with incremental pricing on its non-package mail business and higher capex that drives better service could actually become a stronger force to be reckoned with in the e-commerce space, especially in rural areas where an in-house logistics network at an e-commerce giant might not reach,” analysts wrote.

Get ready for somewhat higher postage rates for First Class and Marketing Mail. “[W]e think stamp prices are too low, not package prices,” said David G. Ross, an analyst with Stifel Financial Corp. Morgan Stanley described private shippers as hopeful that package shipping rates would go up at USPS. The private shippers already have prices higher than UPS’s. If USPS package prices rose, this might invite higher rates from competitors.

Postal reform supporters continue to hope this will be the year when reform takes place.

USPS’s Rising Pot Luck

Leafly.com reports that the USPS has stopped more cannabis packages in 2016 but the average size of such packages has declined. “After two years of declines, the number of cannabis packages intercepted . . . jumped this past year, rising 18.4% over the previous year.”

The report does not identify an explanation. According to *Leafly.com*, “The findings could mean a number of things, including a higher number of small cannabis shipments being sent through US mail, an uptick in lower-weight shipments of cannabis extracts

or vape cartridges, or simply better detection of smaller packages by postal authorities. Despite the uptick in intercepts, the number of actual arrests for mailing controlled substances—whether cannabis or any other federally illegal drug—fell for a second consecutive year, dropping 4% to 1,850.”

The drop in drug package weights was significant. “Average weights of intercepted packages, however, have seen a more consistent trend, falling consistently since Fiscal Year 2012. The average package that year weighed 5.5 pounds, while seized packages in FY 2016 averaged 3.9 pounds.” <https://www.leafly.com/news/politics/cannabis-mail-seizures-rise-usps>.

Another new development is the spreading out of shipments over multiple shipping companies. This spreads risk of detection more strategically.

There are some indications that the new administration may step up enforcement of federal anti-drug laws even in states that have legalized the drug for medical or home use. One such prediction comes from White House press secretary Sean Spicer. “That’s a reversal from the Obama administration’s stance, which laid out in an official memo that the federal government wouldn’t interfere in states where nonmedical use of marijuana is allowed.” www.cnn.com/2017/02/23/politics/white-house-marijuana-donald-trump-pot/.

The new president has promised a crackdown on drugs and other crime. “When you see something like

the opioid addiction crisis blossoming in so many states around this country, the last thing we should be doing is encouraging people,” Spicer said. “There is still a federal law that we need to abide by when it comes to recreational marijuana and drugs of that nature.” The president’s focus is on reducing recreational, not medical, marijuana use.

John Rooney, who led counter-drug efforts for postal inspectors in Philadelphia, told *US News & World Report* that arrests are down despite the significant rise in package intercepts. He attributes this disparity to fewer investigations, “due either to enforcement priority or scarce resources.”

Twenty years ago, “we wouldn’t do anything less than 10 pounds because it wasn’t worth our time,” he said. Package sizes may be dropping to escape detection or investigations may be less well funded as the stakes drop. <https://www.usnews.com/news/articles/2017-03-03/pot-mail-intercepts-18-percent-higher-last-year>. It appears that USPS inspectors and investigators are capable of further deterring federal criminal use of the mails for drug deliveries, but additional resources are required to mount a more effective effort should the White House remain committed to reducing drug use in states that now legalize recreational marijuana use.

It remains to be seen whether funding for anti-drug activities will increase in the next budget.

Postal Vision 2020

The PostalVision 2020 Initiative hosts its seventh annual event on Mar. 21-22, 2017, outside of Washington, DC. The topic is the future of the postal industry.

A description of the event focuses on how everything old is still there but may have a little new lustre: “Doesn’t it seem like nearly everything is changing in this new millennium? . . . How we communicate has shifted from mail to email, Skype, Facebook, Twitter, and text - by way of telephone, flip-phone, laptop, tablet, smartphone and soon by video. We now pay by cash, debit/credit-card, PayPal, smartcard, and Apple Pay and soon perhaps via Bitcoin. Fulfillment practices have shifted from centralized to regional warehousing; vehicle power

sources from carbon-based to electric and solar; and delivery modality is moving from trucks and vans to autonomous vehicles, even to robots and drones. Our trusty USPS letter carriers still deposit daily mail and parcels in our personal curbside mailboxes, but even this iconic universal practice may yield to neighborhood cluster-box delivery in the near future, or be replaced by homeowner-installed innovative multi-carrier smart-lockers outside their kitchen doors.”

The event’s theme is it’s “Business NOT As Usual!” For information contact John Sasso at jsasso@ursamajorassociates.com. View the agenda at <http://www.postalvision2020.com/7-0-agenda/>.

Paying Dearly for Mail Handling

Australia’s equivalent of our postmaster general earned \$4.3 million for running the country’s government-owned postal service.

Ahmed Fahour, the director of Australia Post, resigned on Feb. 22 after a Senate committee learned how well the agency paid its chief executive. More disturbing

was the impression the postal service had attempted to conceal it. Mr. Fahour earned ten times the pay of Australia’s Prime Minister Malcolm Turnbull, who said he thought it was “a very big salary for that job.”

“I think that salary, that remuneration is too high,” Turnbull said.

Fahour spent seven years in his role. John Stanhope, the chairman of Australia Post, told a Senate committee hearing it was a mistake not to publicly disclose the salaries of senior management sooner. “We need our salary packages to be commercially competitive to attract

and retain talented people in a competitive, executive talent market,” he said, according to the Australian Associated Press. That should be no problem. In contrast, the U.S. postmaster general earns about \$416,000 a year.

What Border Tax?

The news has been heavy on Russian phone calls, meetings, and data breaches and Mexican walls and hurt feelings, but no one seems focused this week on the prospect of a border tax. Last month executives from retailers met with President Trump to ask that he not follow through with pledges to tax imports.

Lobbying from companies against the so-called border adjustment tax (BAT) would hurt retailers who, in their role as middlemen between manufacturers and consumers, could see their profits evaporate in a protectionist marketplace.

As *Internet Retailer* explains it: “The argument against a BAT comes down to something more basic: Practically, Americans won’t pay higher prices to buy stuff for their own families, even if they ideologically agree with creating manufacturing jobs and supporting American-made goods. And there’s little doubt a BAT will result in American companies raising prices for consumers if they are going to stay in business.”

The economics for the American consumer make the BAT a losing proposition even if some jobs return to the U.S. “We all saw what happened to J.C. Penney when it tried to wean shoppers off of those discounts: Customers walked away, and the company lost 24% of its revenue in one year. Meanwhile, Coach Inc. and Michael Kors Holdings Ltd. have been fighting a losing battle trying to get customers to pay more for wallets and satchel bags after years of heavy discounting. Any tax on imported goods would have the same effect.” <https://www.digitalcommerce360.com/2017/02/16/retailers-have-good-reasons-hate-border-adjustment-tax/>.

It is unclear whether the news dashboard has been too crowded for more discussion of the BAT or whether the February meetings with U.S. retailers moved the BAT off headlines. But it is not a focus of daily news coverage. Maybe it should be.

Take-Off for Drones

A fleet of drones at last month’s Super Bowl included 300 Intel Shooting Star UAVs (unmanned aerial vehicles). The timing might be right for an industry whose take-off appears to be imminent. A forecast for the global commercial drone market predicts it will reach just over \$3.7 billion in 2017, compared to \$2.8 billion in 2016. The market for personal drones will generate nearly \$2.4 billion in revenue this year, up from \$1.7 billion last year.

This makes for a 34% increase in the combined market for UAVs. The industry might cross the \$6 billion mark. By 2020, that figure will reach \$11.2 billion, said Gartner, which produced the forecast. Close to 2.8 million personal drones will be produced in 2017 compared to 2 million in 2016. Far fewer commercial drones, 174,000 in fact, will deploy this year.

Displays like the one at the Super Bowl are one of the bridges to be crossed in making business and personal use of drones more common. Gartner senior analyst Gerald Van Hoy sees the two drone markets as merging. “The commercial and personal drone markets are increasingly overlapping, as lower-priced personal devices are being used for commercial ventures,” he said in a public statement.

Lightweight personal drones are generally used to capture video footage and take pictures from aerial locations. They typically have sub-\$5,000 price tags and can only travel short distances (up to 5000 meters and an altitude of up to 500 meters) for about an hour.

Personal drone companies can do that. “Personal drone vendors are now aggressively trying to position themselves in the commercial market,” stated Van Hoy. “Recent technological advances blur the lines, allowing personal drones to be used in many special-purpose applications such as surveillance, 3D mapping and modeling.”

What remains an obstacle to vendors’ use of drones to deliver goods is the need for more logistical software solutions for commercial delivery drones. “Delivery drones will be mired in logistical issues like the time needed to return a drone to its origin point after delivery, and will amount to less than 1 percent of the commercial market by 2020,” Van Hoy said. “We expect that delivery drones will begin finding a niche in business-to-business applications first, particularly for internal services within one company where logistics will not be such a big factor.”

"No Tip" Food Delivery

Speaking of new laws addressing the use of robots to deliver food in Virginia, Washington D.C. will be the first U.S. city to get food delivered by autonomous wheeled robots, according to Technical.ly. You do not have to tip the delivery person anymore.

The delivery droids are from Starship Technologies, an Estonian startup. Starship Technologies has focused on the east coast because of its time zone proximity to Europe as well as having uncongested streets, relative to other major cities in the area.

Autonomous bot delivery of food and other products seems poised to launch a new round of faster deliveries.

In mid-November last year, Domino delivered pizza by drone in New Zealand. At the start of December, Just Eat dispatched a wheeled bot to deliver a meal in Greenwich, London. Amazon next made its first commercial delivery in rural Cambridge, U.K.

In the U.S., 7-Eleven has delivered using aerial drones, the capabilities remain decidedly limited. A shift—for now—to wheeled robots could be the answer to current restrictions on out-of-line-of-sight flying of aerial drones. http://technical.ly/dc/2017/01/06/food-delivery-bots-starship/?mc_cid=56757e733c&mc_eid=2f9b533e28.

South Dakota Sales Tax

A South Dakota judge granted summary judgment and dismissed a suit brought against several retailers who did not comply with a state law requiring out-of-state sellers to collect sales tax from consumers in South Dakota.

The state's effort to overcome the limits on a state's authority over a business without physical presence in its state has failed—for now. Current federal law about the collection and remittance of sales tax on online orders placed by residents with out-of-state-merchants supports the court's ruling.

Judge Mark W. Barnett, of South Dakota's circuit court ended a lawsuit brought by South Dakota's Department of Revenue against Wayfair Inc., Overstock.com Inc., and Newegg Inc., citing the 1992 case of *Quill v. North Dakota*. "This Court is duty bound to follow applicable precedent of the United States Supreme Court," Barnett explained in his ruling. "This is true even when changing times and events clearly suggest a different outcome; it is simply not the

role of a state circuit court to disregard a ruling from the United States Supreme Court."

South Dakota is one of several states that has been unsuccessful in spurring legislative change by Congress or judicial reform by progressive appeals to the U.S. Supreme Court.

Under a recently passed law, out-of-state merchants that sell at least \$100,000 or complete 200 or more transactions annually with South Dakota residents had to register. When Wayfair, *Overstock.com* and Newegg did not register with the state, the Department of Revenue filed suit against them April 26.

In December, the U.S. Supreme Court refused to hear an appeal from the Direct Marketing Association regarding the Colorado law, which effectively lets the Colorado law stand. In 2015, Justice Anthony Kennedy wrote an opinion to say that the Court should at some point revisit the 1992 case. The South Dakota litigation may well continue its way through the courts.

Quality Measurement Proposal

The Postal Service filed a Federal Register notice on Feb. 27, 2017 requesting comments from interested parties on the revision to their pending proposal regarding a new measurement and assessment procedure for evaluating mailing address quality. This new procedure would affect mailers who enter eligible letter- and flat-size pieces of First-Class Mail and USPS Marketing Mail (formerly Standard Mail) that meet the requirements for Basic or Full-Service mailings. In addition, the USPS proposes to extend free Address Change Service (ACS) to mailers who enter qualifying mailpieces. Comments regarding the published notice are due on or before Mar. 29, 2017.

Rationale

Address quality matters to the mailing industry. It

avoids delivery delays and saves time, effort and money to process undeliverable as addressed (UAA) mail. There are a variety of USPS approved methods for address updating, and USPS regulations already require that all customer address lists be processed by CASS Certified address-matching software. There are also USPS move update requirements for First-Class Mail, USPS Marketing Mail, and Parcel Select Lightweight mailings.

Mechanics

Move Update compliance is measured at the mailing level using the Mail Evaluation Readability and Lookup Instrument (MERLIN). This process involves random sampling of mailings, and for the selected

mailings, sample pieces from those mailings are reviewed. Mail Processing Equipment (MPE) scans can evaluate the address and move-related quality of mail as it is processed on postal equipment. This streamlines evaluation process at a reduced cost and a much broader universe of pieces for evaluation.

The proposed regulation would replace the existing MERLIN move update verification process and replace it with a new Address Quality Census Measurement and Assessment Process. Mailers will still be required to use an USPS-approved Move Update method and to document the method used in the electronic documents (eDoc) submitted at the time of mailing.

Mailpieces would be scanned on MPE and address information captured from mailpieces identified as UAA would be evaluated to determine if Change of Address (COA) information is on file. Address information for mailpieces matching an active COA would be sent electronically to the National Customer Support Center (NCSC), who would forward the COA information to the Address Quality Census Measurement and Assessment Process for evaluation.

The Move Update validations would be performed by comparing the MID plus Serial Number of

the Intelligent Mail barcode (IMb) on the mailpiece. If the COA is between ninety-five days and eighteen months old and the address has not been updated, then a COA error for the associated IMb would be logged and allocated under the CRID of the eDoc submitter.

All qualifying mailpieces entered by an eDoc submitter in a calendar month would be subject to the proposed error threshold for address quality, which is proposed to be 0.5%, subject to approval by the Postal Regulatory Commission (PRC). The evaluation data would be collected and reported on the Mailer Scorecard under the eDoc submitter CRID. The Federal Register notice provides additional detail regarding how the assessment charges will be calculated.

Exception

Periodicals Mail would not be evaluated under this process because the Move Update Standard in DMM 602.5 does not apply to Periodicals.

Comment Process

Comments are due on or before Mar. 29, 2017 and should be directed to productclassification@usps.gov. The subject line of your message should read: "Address Quality Census Measurement and Assessment Process" and include the name and address of the commenter.

New European Data Collections Rules

The European Union (E.U.) has a new General Data Protection Regulation (GDPR) that replaces the E.U. Data Protection Directive. The GDPR lets individual citizens control the collection and use of their personal and personally identifiable information. It also regulates not only European businesses, but also how businesses outside of the E.U. collect information from European citizens.

Coverage

The GDPR applies to the processing of personal and personally identifiable information, including by any company that sells or markets products or services to citizens of the E.U. It is not necessary that a company have servers located in the E.U., offices in the E.U., or contracts with data processors within the E.U.

Design Imperatives

GDPR also codifies a requirement of "privacy by design." Privacy by design requires that privacy concerns be addressed in the software engineering process instead of in the application of software. Companies must take technical and organizational measures to ensure that (a) data is only collected for the specific purposes for which it is used, (b) data can be collated to comply with access requests, and (c)

data be collected and maintained in a way that allows opt-out, suppression, and portability.

One of the design imperatives is that E.U. citizens with a right to data portability. This allows E.U. citizens may transfer their personal and personally identifiable information from one data controller to another, which means that data must be maintained, as mentioned above, in a portable form.

Under the GDPR, E.U. citizens have a "right to erasure." Upon request, an E.U. citizen may have his or her personal data deleted without "undue delay."

The GDPR also requires that companies whose "core activities consist of [data] processing operations" must appoint a data protection officer if "special categories" of data are collected. These special categories include genetic data, biometric data, political opinions, religious beliefs, philosophical beliefs, race, gender, or national origin. This individual serves as a point of contact for authorities in the event of data breach or mishandling. When a covered company suffers a data breach, it must comply with these new requirements of the GDPR.

Penalties

Companies that fail to comply with the GDPR can face warnings, periodic audits, and fines.

Briefs

If you believe everything you see in the “alt news” world, your Samsung TV may be a listening device accessible by the CIA or others bent on listening to what goes on inside your home. <https://www.infowars.com/cia-turned-samsung-smart-tvs-into-listening-devices-wikileaks-dump-reveals/> (home of the Alex Jones radio show). Siri and Alexa listen to you and seek to meet your every ecommerce and home operation need, but do you know their friends and what of your life’s activities they share with those “friends”? <https://www.wired.com/2016/12/alexa-and-google-record-your-voice/>.

You may find it easier and more secure to speak through an Amazon Dash button. In a recent evaluation of the successfulness of the Amazon Dash program, *Retail Dive* asked if the program is “revolutionary as it seems? Or is it just another way to infantilize its customer base? These little buttons around our home seem promising in principle, but the past two years show that there’s a long way to go before they push consumers’ buttons — enough to be considered anything other than a commodity, at least.”

Retail Dive found several reasons for doubting the program’s prospects.

1. "Consumers aren’t dashing to brand their home
2. Dash creates a sense of disempowerment
3. Dash encourages mindlessness—but it’s targeting the wrong generation
4. Dash is a PR commodity, but the tide could turn if it doesn’t get greener"

Read more at <http://www.retaildive.com/news/4-reasons-why-amazon-dash-still-doesnt-deliver-the-goods/437584/>.

On Feb. 13, U.S. District Judge Chris Cooper denied a motion that would have blocked a \$100 million lawsuit against cyclist Lance Armstrong. This makes it likely the case will go on for a jury trial later this year.

The Postal Service sponsored Tailwind Sports Corporation—the company managing the U.S. Postal Service team headed by Armstrong—at a cost of \$32 million during 2000 to 2004.

After reports of, and admissions to, doping claims, charges were made under the False Claims Act. That act allows the U.S. government to sue for that sponsorship money and for up to three times the amount in damages. Defendants could be ordered to pay nearly \$100 million if convicted.

Armstrong’s defense relied on its estimates that the USPS brand benefitted financially from Armstrong’s seven wins in at Tour de France events. The Armstrong legal team estimated that value to be more than \$100 million, far more than the \$32 million in sponsorship.

Delivery robots will soon operate in Virginia under a new state law passed that takes effect July 1. This will be the first such legislation enacted in the U.S. Unlike drones that travel by air, delivery robots need not operate within the line of sight of a human pilot, but the pilot must be able to take over if a problem occurs. The law imposes a 10-mph speed limit on the robots, and a 50-pound weight limit.

Virginia’s law, passed last month, is similar to other legislation proposed, but not adopted in Florida and Idaho. Starship Technologies, the robots’ maker, worked with legislative proponents on drafting of the new legislation.

BUSINESS MAILERS REVIEW (ISSN: 0739-3873) is published biweekly by PNMSI Publishing Co., an independent newsletter firm. Subscriptions to **BUSINESS MAILERS REVIEW** are \$497/year in the U.S., Canada and Mexico; delivered airmail for \$527 elsewhere. Authorization to photocopy items for internal or personal use, or the internal or personal use of specific clients, is granted by PNMSI Publishing Co. for libraries and other users upon request. **BUSINESS MAILERS REVIEW** is available electronically via e-mail. Contact the circulation department at 301-528-7777, or email to support@pnmsi.com. © 2017 by PNMSI Publishing Co.

Cheryl Kettler, Editor 773-580-4165
Kathy Thorne, Publisher 301-528-7777

Website: www.businessmailersreview.com

Editorial email: support@pnmsi.com

Editorial address: PO Box 335
Boyd, MD 20841-0335

POSTMASTER: Send address changes to **BUSINESS MAILERS REVIEW**, PO Box 335, Boyd, MD 20841.

Enter my subscription to **BUSINESS MAILERS REVIEW** :

- One-year subscription — \$477 for email; \$497 for print (\$527 airmail)
- Check enclosed to PNMSI Publishing Co. Inc.
- Charge: Visa MasterCard

Acct: _____ Exp. _____

Name _____

Title _____

Company _____

Address _____

City/State/Zip _____

Country _____

Signature _____

Phone _____

Mail to: **BUSINESS MAILERS REVIEW**, P.O. Box 335, Boyd, Maryland 20841 or call 301-528-7777; fax, 240-599-7679.

PNMSI PUBLISHING CO.