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USPS Retirements to Right-Size Workforce

The Postal Service wants to reduce its workforce by thousands of employees in early 2018, offering early retirement incentives to 26,000 mail handlers and clerks.

Offer

Employees who accept the offer must retire in January through the end of March. Eligible employees must have twenty years of experience and be at least fifty years old, or have twenty-five years of service and be any age. The Postal Service has no plans to offer buyouts in conjunction with the VERA incentives. The eligibility letters now being sent by the Postal Service include annuity estimates and a reminder that voluntary early retirement “is just that—voluntary.”

Impetus

The Postal Service reduced its workforce

by 6500 persons in 2017, according to the latest report from the Bureau of Labor Statistics. The agency states this continues an effort to match declines in staffing to declines in mail volume. The USPS cut about 300,000 career positions over the last thirty years through separation incentives and natural attrition. USPS employs about 500,000 career workers and a little more than 600,000 total individuals.

“This VERA action is part of ongoing efforts to right-size our workforce through attrition to match current and projected workload,” said Carl Walton, a Postal Service spokesman, “and in response to the recent acceleration of the declines in mail volume.” http://www.govexec.com/pay-benefits/2018/01/usps-offers-early-retirement-26000-employees/145038/?oref=govexec_today_nl.

POTUS Picks on Postal Service

President Donald Trump used Twitter to pick on the Postal Service for “charging Amazon and others so little to deliver their packages.” He also tweeted: “Should be charging MUCH MORE!” His real target may not have been the Postal Service—an independent federal agency his administration has so far done little to assist.

Targeting Bezos

The president has a score to settle with Jeff Bezos, CEO of Amazon.com Inc. and owner of *The Washington Post*. *Reuters* reports Trump has claimed Amazon does not pay sales tax and attacked the “Amazon Washington Post” repeatedly—those claims are not true. <https://www.reuters.com/article/us-usa-trump-amazon-com/trump-wants-postal-service-to-charge-much-more-for-amazon-shipments>. The president comes closer to truth when he questions the rates paid by Amazon for USPS delivery of its parcels. *CNN Money* reports the Postal Service fails to break even in its deal with Amazon, and an opinion piece in *The Wall Street Journal* asserts that the Postal Service gives a special “\$1.46 subsidy” to each Amazon package. <https://www.wsj.com/articles/why-the-post-office-gives-amazon-special-delivery-1499987531>. *CNN Money* pegs that per package number at \$1.41.

One of the incentives for more than 80 million

Amazon Prime memberships is the promise of free shipping for so many purchases. If this promise is financed in part by the Postal Service, this provides Amazon a competitive advantage others match only at a significant cost.

Alleged Culprit

In response to these criticisms, *CNN Money* points out that an increase in USPS rates would push more business to FedEx Corporation and United Parcel Service, Inc. It explains that the real problem at the Postal Service is 2006 legislation that requires the agency to pre-fund retirees’ benefits at a rate not required of other employers. Citigroup analysis speculates USPS would need to charge 40% more per package to cover its costs. That type of price increase could push substantial business to private carriers who lack the infrastructure for last-mile delivery to consumers and can only offer it for far higher prices. <http://money.cnn.com/2017/12/29/news/economy/trump-amazon-postal-service/index.html>.

The Postal Service is not the only delivery company that could enjoy higher prices. As explained in *Supply Chain Drive*: “Last year, UPS, FedEx and USPS not only all raised rates, but some also added new fines and warned retailers they would be less lenient in contract negotiations. The reason? Volume was too high, and the

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Short Takes

Jeff Bezos, CEO of Amazon.com Inc., has amassed a net worth of \$105.1 billion on the Bloomberg Billionaires Index. Amazon.com Inc. shares increased in market value by almost 57%. *POLITICO Playbook* (01/09/2018).

Amazon shares have risen 6.6% this year, riding on a report showing Amazon collected 89% of online spending (as compared with its chief competitors) in the five-week period beginning the day after Thanksgiving in the U.S. <https://www.bloomberg.com/news/articles/2018-01-08/bezos-s-net-worth-tops-105-billion-as-amazon-climbs-in-new-year>.

Tesla Inc. has been in the news for more than one reason in recent weeks. (See *BMR* 01/15/2018, p. 5.) In mid-November its battery-powered Semi tractor hit the market. United Parcel Service Inc., Schneider Inc., Sysco Corp., and PepsiCo Inc. have orders for the \$180,000 vehicle with a 500-mile range. Deliveries should commence some time in 2019.

Daimler delivered in mid-December the first units of its Fuso e-Canter all-electric commercial vehicle to four customers in Europe for pilot tests. The Daimler truck is smaller than the full-sized Tesla Semi, and at 62 miles, has a much shorter range. The company markets its new vehicle as being quiet and emissions-free operation, suited to use on urban delivery routes and in city centers. Initial testing will take place in Berlin.

DC Velocity reports that: “For example, Rhenus will begin using three Fuso eCanter trucks this month in home-delivery trials, ferrying goods between the company’s central warehouse in Hoppegarten and end customers in Berlin, while Dachser will begin operating two of the trucks in Berlin and Stuttgart this spring. Dachser said it will put the vehicles to use delivering pallets of industrial goods both to micro hubs and directly to customers.” <http://www.dvelocity.com/articles/20180108-daimler-delivers-first-electric-trucks-in-europe/>.

The gig economy, built on mobile software systems from Uber and Groupon, has given rise to numerous digital brokerage startups that collect revenue without investing in a sustainable business model. A growing number of these companies have

evolved as short-term answers to our need for people to haul freight and deliver goods to consumers. *Freight waves.com* reports that some of these startups have raised enough capital to make the transition from short-term cash station to stable platforms. “Companies like Cargomatic and Cargo Chief are among the biggest venture digital brokerage blowouts. There will be many more that meet the same fate. Both companies are still around, albeit under completely different go-to market plans. The big digital brokers that raised gobbles of cash, Convoy, Transfix, and Uber Freight appear to be investing in the platform and gaining traction along the way. They have the success of major Silicon Valley investors behind them that can tolerate substantial losses—so long as they show organic traction in their digital environments.”

Read the report on why Convoy, Transfix, and Uber Freight could have staying power while so many other digital start-ups have not. The key is to pursue an Airbnb model instead of a Groupon model. According to the analysis, “What we need is a pay-per-day model that allows for short-term dedicated capacity, rather than long term dedicated contracts. The dedicated fleet business is a large part of the mega fleet operators. They trade dedicated capacity at fixed prices for contracts with consistent payment relationships. Fleets love them because they provide a consistent cash-flow stream and shippers adore these relationships because they can have the advantages of a private fleet, without the issues that are caused by running one. Fleets that do it for a living tend to be far better than most, but not all, private fleets.” <https://www.freightwaves.com/news/2018/1/8/airbnb>.

The Postal Service qualifies as “certified mail” while FedEx Corporation does not when a Utah agency serves legal notice on a party, rules the Utah state appeals court. The Utah Labor Commission sent a safety violation citation via FedEx to Kuhni & Sons. Someone at the plant is said to have signed for the citation. But the FedEx notice did not serve to start a thirty-days’ clock on the company’s appeals process because agency rules called for use of “certified mail.” <http://fox13now.com/2018/01/07/fedex-is-not-certified-mail-utah-court-of-appeals-declares-in-overturning-ruling/>. Who says the 1947 film *The Miracle on 34th Street* is fiction? There are still some things that become real only when the Postal Service delivers.

POTUS Picks on the Postal Service... (cont. from page 1)

carriers' margins were taking an unnecessary hit by subsidizing retail delivery practices." <https://www.supplychaindive.com/news/trump-usps-should-charge-much-more-for-package-delivery/513877/>.

Real Beneficiaries

The L.A. Times in an opinion piece disagreed with the president's tweet: "As for the Amazon deal, an analysis by Citigroup, claiming that the USPS was being shortchanged by an average of \$1.46 per Amazon parcel, made a big splash last year, especially after it was trumpeted in the *Wall Street Journal* by a FedEx shareholder, who plainly thought FedEx was getting rooked. But Amazon responded that it wasn't getting a special deal, and the basis for Citigroup's estimate has remained murky."

The same piece went on to defend pricing that benefits consumers, even if it also benefits some ecommerce businesses: "All this begs the question of why the USPS should be required to turn a profit delivering the mail, whether by letter or package. Mail delivery in the terms that Americans tend to expect—a visit to the mailbox six days a week, no matter where it is, and flat-rate delivery from coast to coast, up to Alaska and out to Hawaii whether in snow or rain or heat or gloom of night—can't be made profitable except at prices that would hit the average American where he and she lives, in the pocketbook."

Indeed, the price of a First Class stamp represents subsidized service to some at the expense of others. As the piece concluded: "That's the marvel of U.S. postal delivery: In the 229 years since the Constitution placed its responsibility in the hands of Congress, it remains a public service binding this disparate country into one. Trump in his tweet said the Postal Service 'should be charging MUCH

USPS and Census Bureau Search for Synergy

The Postal Service makes its rounds of homes six, some of them seven, times per week. In 2020, it could conduct the census while it delivers packages. In hearings before the Senate Homeland Security and Government Affairs Committee in October, Commerce Secretary Wilbur Ross told lawmakers that his department was in negotiations with the Postal Service to use letter carriers part-time, as part of a field test the Census Bureau plans to conduct in April 2018 in Providence, R.I.

Mail carriers are willing to assume the additional duty, volunteers Jim Sauber, the chief of staff for the National Association of Letter Carriers, a union that represents more than 200,000 postal employees. He told Federal News Radio that USPS workers support the Census Bureau's decennial count process. "There's

MORE" to Amazon. Who exactly does he think would be paying that price?" <http://www.latimes.com/business/hiltzik/la-fi-hiltzik-usps-trump-20180102-story.html>.

Union Clears Air

Frederic Rolando, president of the National Association of Letter Carriers, also commented in *The Hill* on the suggestion that the Postal Service was somehow to blame for its recent financial losses. He did his best to clear the air of any alternative facts. "USPS delivers to 155 million addresses six and even seven days a week, delivering 47 percent of the world's mail. An average of 3,748 new addresses are added daily to the country's only universal delivery network. The Postal Service is the core of the \$1.4 trillion national mailing industry, which employs 7 million Americans in the private sector. . . . Those are the facts, all of them easily verifiable," Rolando wrote.

The USPS employment statistics put a human face on a second group who stands to benefit from Amazon's contract with the Postal Service. He next took on the insinuation that Amazon had taken the taxpayer to the cleaners: "Similar arguments have been made for decades, and consistently rejected on the merits by the Postal Regulatory Commission, the independent overseer of USPS whose members are presidentially appointed from both parties." The Amazon contract by law must "benefit the agency and not harm the marketplace. The 'studies' that claim something improper with this or that NSA often are subsidized by a private competitor to the Postal Service." <http://thehill.com/opinion/campaign/368096-the-postal-service-a-service-americans-should-appreciate>. Not a tweet has surfaced since.

actually a long, long tradition of letter carriers, particularly retired letter carriers, signing up to be enumerators for the Census Bureau,' Sauber said. The Census Bureau, over the years, has recognized that letter carriers really know their communities and they know where people live. There's been talk off-and-on for proposals to have the Postal Service do it in a more formal way using active letter carriers."

To date, the Government Accountability Office (GAO) lists the 2020 census on its High-Risk List but is reluctant to use mail carriers because their pay rates are two to three times higher than most census takers'. <https://federalnewsradio.com/agency-oversight/2018/01/postal-service-census-bureau-mull-partnership-for-2020-count/>.

The topic of Postal Service involvement in the 2020 census currently is a backburner issue as analysts instead criticize the GAO for wanting to add a question about responders' citizenship. If included, some states fear they could see cuts in House of Representatives representation and federal dollars. *The Atlantic* reported last week: "In December, the Department of Justice sent a letter to the Census Bureau asking that it reinstate a question on citizenship to the 2020 census. 'This data is critical to the Department's enforcement of Section 2 of the Voting Rights Act and its important protections against racial discrimination in voting,' the department said in a letter.

USPS Counters Online Postage Fraud

The price of a First Class stamp goes up to fifty cents later this month and the USPS is collecting evidence that some have been cheating it out of what it is owed when they purchase postage online.

According to *Ecommerce Bytes*, "Five months after the USPS implemented a new practice to verify postage for packages paid online, sellers have been feeling the impact. Reports of 'USPS label cost adjustment' have not been as widespread as some sellers may have feared, however."

The Postal Service's Automated Package Verification System (APV) verifies shippers paid correct postage and bills or credits the shipper or postage vendor if postage is in error. As the report explains, some shippers question whether the Postal Service can properly price the postage: "One reader recently wrote: 'I received my first 'USPS label cost adjustment' of (redacted) on PayPal today. I know I weighed and measured this package correctly. I contested it on PayPal (against eBay shipping). Do any other sellers have issues or tips for this? I don't want to see a trend in 'cost adjustments.'"

Amazonian Accomplishments

Amazon accounted for 4% of U.S. retail sales and 44% of U.S. ecommerce sales in 2017, according to a study from One Click Retail. In 2016, Amazon was responsible for 38% of ecommerce sales. In revenue dollars, Amazon's share has grown from an estimated \$149 billion to \$197 billion.

Amazon's top product category was consumer electronics, bringing in about \$8.5 billion in sales, up 4% year-over-year (YoY). Beauty and Pantry grew 47% YoY and 38% YoY respectively. Grocery pulled in \$1.5

Sky High Rents for Urban Fulfillment Centers

Same-day and next-day deliveries make urban fulfillment centers a necessity for some businesses. A new report from real estate firm CBRE cited by *CNBC* says rentals and prices for land for such fulfillment

'To fully enforce those requirements, the Department needs a reliable calculation of the citizen voting-age population in localities where voting rights violations are alleged or suspected.' The request immediately met pushback from census experts, civil-rights advocates, and a handful of Democratic senators, who say that the argument is unfounded and that the timing of the request is irresponsible." <https://www.theatlantic.com/politics/archive/2018/01/the-controversial-question-doj-wants-to-add-to-the-us-census/550088/>.

Deciding who will collect the data likely will wait while such matters get resolved.

The bones of contention go beyond weight and rate. There are the effects of mail classification, labeling, measurement, and distance to consider as well. Taking the hit for incorrect postage is a new experience for many shippers. Prior to August of 2017 the mail's recipient paid up when an error was found.

Mail carriers could be thinking this day had to come. The story continues with one carrier's commentary: "A user accused of being snippy in their initial response to the seller claimed to be a postal carrier who had had to collect postage due from recipients on their route: 'I am the one that for the past 16 years have had to go to the door and collect Postage Due for short paid postage. I have had to explain why it is short paid, wait for them to find the money, often standing in the blazing sun, pouring rain, or freezing wind. I have also been the one that they take their frustrations out on when a seller 'makes a mistake'." <https://www.ecommercebytes.com/2018/01/09/sellers-deal-usps-online-postage-crackdown/>.

billion in sales, growing 33% YoY. Home furnishings sales tallied about \$1.5 billion in sales in 2017, increasing 33% YoY. <http://www.businessinsider.com/amazon-captured-4-of-us-retail-sales-in-2017-2018-1>.

Consumers spent about \$310.0 billion on Amazon in 2017 globally. According to *Internet Retailer*, "One Click Retail does not have a 2016 estimate of Amazon's share of U.S. e-commerce sales." <https://www.digitalcommerce360.com/2018/01/08/amazon-eats-44-us-e-commerce-sales-2017/>.

centers has "skyrocketed."

A review of prices in ten U.S. markets, showed prices for parcels large enough to build a fulfillment center "had doubled over the past year, from \$50,000

per acre to more than \$100,000. Five- to 10-acre plots, meanwhile—those often located in busy metropolitan areas, and used for last-mile delivery, *CNBC* notes—saw average prices rise from \$200,000 per acre to \$250,000.”

Tesla Tests Electric Trucks' Limits

Tesla has a new, electric semi-truck that will show fuel how to get work done without polluting our skies, waters, and lands. CEO Elon Musk has produced a truck that not only is futuristic, it looks futuristic. The truck can haul for 500 miles on a single charge. It saves on fuel and spares the environment. It offers autonomous driving capabilities as well. (*See BMR 01/15/2018, p. 2.*)

Business Insider and Morgan Stanley analyst, Adam Jonas, hint there may already be 1200 pre-orders of the Semi-tractor. The first vehicles are expected to be delivered in 2019. <https://www.supplychaindive.com/news/Tesla-Elon-Musk-electric-autonomous-semi-truck-freight/514315/>.

Charging Ahead

Cerasis is thinking ahead to how electric trucks will change the logistics industry. Most of us are used to seeing a couple of slots in parking lots for the recharging of cars, but Cerasis bloggers have started visualizing a time when trucks will face “restrictions on how much they can travel or require a specialized refueling infrastructure to move conveniently.”

As Cerasis explains in its blog, the nation’s highways are not equipped to provide fast recharging. “Total gas stations number at around 168,000, while Tesla Supercharger stations that carry faster-charging capabilities stand at a disappointing figure of just 2172 stations in the U.S. That’s some distance to go before Tesla can provide refueling infrastructure comparable to the existing one in place. No trucker would like to wait in long queues to recharge his/her truck and recharging process itself takes a significant amount of time as compared to conventional diesel refueling.”

Untested Reliability

The logistics industry has no ready solutions yet for these challenges. Nor does it have ready means of addressing some other concerns about Tesla’s newest truck. “For being touted as the last mile star performer in the next decade, Tesla’s semi would have to be highly reliable and durable, as short-haul trucks should be. But, having said that, Tesla doesn’t have an outstanding track record when it comes down to quality control. They have had problems with their reputation in this regard in the past, and that was within the domain of cars, a smaller domain as compared to a critical decision of buying a truck. Logistics companies need to move ahead with

<https://www.fooddive.com/news/grocery—as-e-commerce-grows-fulfillment-centers-may-be-out-of-reach-for-some-retail/514142/>.

caution and try to look beyond the ‘futuristic feel’ of this vehicle.”

Costly Investment

In addition to quality control issues, purchasers will have to consider the initial cost of a battery-operated truck. “Time and cost are critical in the logistics industry. You can quickly get a good condition class 8 truck in the cost range of \$100,000-\$130,000. However, the Tesla semi is a whole different case when it comes to acquisition cost. The batteries on this truck are prohibitively expensive, almost costing \$100,000, and on top of that, add the cost of the truck itself, and you arrive at a figure of around \$250,000-\$300,000. That’s about three times the cost of a conventional rig and on a purchase that has limited competencies regarding range and fuelling [sic] capabilities.”

Supply Chain Dive explains that some trucking companies will gulp at the thought of paying for their fuel savings before a truck hits the road: “Haulers don’t care about these claimed figures, the United Kingdom’s Road Haulage Association policy advisor, Rod McKenzie, told Autocar. ‘They’re not relevant to us. We’re not looking for performance, not least because [trucks’] speed is limited to 56mph.’ Still, if true, these numbers are potentially transformative long-term.”

Load-Bearing

Batteries required to haul goods will be heavy, too. This may not translate into increased fuel expenses, but it will represent a source of accelerated wear and tear on the vehicle. Industry competitors predict this “stationary load” will prove unwelcome once the new truck smell dissipates. <http://cerasis.com/2018/01/09/teslas-electric-semi-truck/>.

Supply Chain Dive emphasizes that trucks haul, and weight means time as well as gas, in a fuel-based economy. “Pulling 80,000 pounds—max gross—the semi gets to 60 mph in 20 seconds. And with a 5% grade at max gross, Musk said the semi can go 65 mph, which is 20 mph faster than the best diesel. If you are pulling a load over the Rockies or some mountain strain up a hill, you are earning 50% more per mile than you are in a diesel truck,’ Musk says.

Safety Addressed

“Jackknifing is impossible,” Musk told analysts at the new truck’s roll-out event. “The truck will

automatically stop jackknifing because it has independent motors on each wheel. Your worst nightmare is gone with this truck.” A low center of gravity also should reduce rollovers. Another innovation, per *Supply Chain Dive*, is the driver’s cab’s configuration.

“You’re positioned like you’re in a race car,” explained Musk. The dashboard is composed of two touchscreen displays that monitor blind spots and electronic logs. The sleeping cab is tall enough for a driver to stand. <https://www.supplychaindive.com/news/Tesla-Elon->

[Musk-electric-autonomous-semi-truck-freight/514315/](https://www.supplychaindive.com/news/Tesla-Elon-Musk-electric-autonomous-semi-truck-freight/514315/).

European Postal Interest

The USPS already is testing potential vehicles for a new and upgraded fleet, but other postal authorities have expressed interest in using the Tesla Semi-tractor. Norway Post has ordered the Tesla Semi as part of its goal of eliminating emissions by 2025. <https://www.teslarati.com/tesla-semi-order-norway-posten-europe/>.

Returns Make Opportunities

For ecommerce businesses, the “catch” that results from a successful holiday season is the return of merchandise. One quarter of consumers will return or exchange one or more gifts after the holidays. *BI Intelligence* reports that: “the National Retail Federation (NRF) expects 13% of all holiday purchases to be returned, and January is the most popular time for holiday returns, according to a study from Optoro.” At least 60% of shoppers prefer to make exchanges in-store, rather than by mail. A third option would be to use a third-party to process returns.

Despite the consumers’ clear preferences, ecommerce businesses continue to ignore the consumers when designing their returns policies. As a result, around 50% of consumers say they return process needs work.

Best practices call for businesses to try one or more of the following strategies:

- Analyze customer feedback. Consumers can guide ecommerce businesses as to their preferences. Too few ecommerce businesses collect that feedback and use it to alter their product selections, descriptions, and return/exchange policies. SUMO Heavy CEO Bart Mroz says, “Marketers should also try to gain insight on what the customer likes/dislikes, how they found the brand and how they are using the product or service, along with contact information.”

“Understanding why a product was returned can give marketers more information about the customer, and key factors about what they like that set them apart,” Mroz

said. “This can help marketers develop more precise messaging when keeping in touch with that specific customer.” <http://www.dmnnews.com/marketing-strategy/retargeting-post-holiday/article/735420/>.

- Retarget consumers using data acquired. The constructive response to a return or exchange is to give the consumer something that ensures he or she walks away satisfied. Making another sale is a positive step, but holiday fatigue can leave consumers too tired to entertain another offer. A seamless process often engenders more loyalty than a pitch for the next sale.

- Space outreach based on purchase patterns. Ecommerce businesses that track consumers’ purchasing patterns make more informed choices as to when to reach out for the next sale. Past sales data may be the best basis for predictive analysis of when to look for the next opportunity to market.

- Improve in-store returns/exchanges. In light of consumers’ clear preference for in-store returns, *BI Intelligence* recommends that retailers “make sure they train store associates to handle returns, and have enough of them to avoid losing sales in the process. In-store returns can even lead to new sales, as more than half of respondents (54%) said they made an additional purchase in-store while returning an item, which can help soften the blow of holiday returns.” <http://www.businessinsider.com/heres-how-retailers-should-handle-returns-2018-1>.

Final Version of Rules for Verifying Dropped Mail

The Postal Service has finalized in the *Federal Register* guidance as to verification standards for several programs commonly used by business mailers. The *Federal Register* published on Jan. 9, 2018, provides verification standards for eInduction, Seamless Acceptance, and Full-Service Automation. These final rules become effective on March 5, 2018.

eInduction simplifies the induction of drop shipments

and expedited plant load mailings by leveraging existing eDoc, Intelligent Mail Container barcode (IMcb), and handheld scanner technologies to verify payment and preparation of commercial mail containers. It replaces hard copy PS Forms 8125 and 8017 clearance documents used for drop shipments of origin and destination mail. The new eInduction rule sets out verification descriptions, error thresholds, and postage assessments:

- Undocumented Containers: 0% error threshold
- Payment Verification: 0% error threshold
- Duplicate Verification: 0.17% error threshold
- Mis-shipped Verification: 1.05% error threshold
- Zone Discount Verification: 0.01% error threshold
- Entry Point Discount Verification: 0.5% error threshold

These final Seamless Acceptance verification descriptions, error thresholds, and postage assessments will soon apply:

- Undocumented Piece Verification: 0.3% error threshold
- Delivery Point Verification: 2.0% error threshold
- Nesting/Sortation Verification: 1.0% error threshold
- General Postage Adjustment Factor Verification: 1.05% error threshold
- Mail Characteristic Postage Adjustment Factor Verification: 1.05% error threshold

The following Full-Service verification descriptions, error thresholds, and postage assessments also are detailed:

- Mailer Identification (MID) Verification: 2.0% error threshold
- Service Type ID (STID) Verification: 2.0% error threshold
- By/For Verification: 5.0% error threshold
- Barcode Uniqueness Verification: 2.0% error threshold
- Entry Facility Verification: 2.0% error threshold
- Unlinked Copal Verification: 5.0% error threshold

The final rule describes the comments made to the rule when it was in proposed form. Here are some of them:

1. When measuring compliance against the “active version of the Mail Direction File” during eInduction verifications, does a thirty-day grace period apply?

Per USPS: “Yes. The effective Mail Direction File (MDF) is distributed among the industry and PostalOne! applications at the beginning of each month to ensure valid container entry acceptance.” Each MDF observes a thirty-day grace period allowing consumers to confirm mail prepared for the subsequent mailing period. For mail that is prepared in the current mailing period, the effective MDF will provide a source of valid entry facilities that will accept mail. For mail that is prepared in the subsequent mailing period, the effective MDF’s grace period observations will provide a source of valid entry facilities that will accept mail with the prepared mailing period. The USPS does not now plan on changing any system processes with regards to logging errors for eInduction. If mailers believe that invalid errors are being logged they may be researched

through the review process.

2. USPS should consider removing eInduction assessment on undocumented containers for mailers that do not participate in Seamless Acceptance.

The USPS said, at this time, it does not plan on changing any system processes, including postage assessment for eInduction. If mailers believe that they have proof of payment for a container that received an undocumented error they may request a review.

3. The proposed DMM updates cross-reference some documents that are not up to date.

USPS explained that recommended changes to USPS Publication 685 will be addressed through a separate forum, *Federal Register* volume 82, pages 49123–49128), and take effect on Jan. 21, 2018. The USPS is working to update “Publication 804—Drop Shipment Procedures for Destination Entry” and “Guide for Streamlined Mail Acceptance for Letters and Flats Reporting.”

4. Additionally, a comment disagreed with the method the USPS adopted to assess additional postage charged for logical mailers in the Full-Service Intelligent Mail program. The comment asks for an explanation as to why the method is not consistent across all Streamlined programs.

The USPS response was that at this time the USPS does not plan on changing the Full-Service assessment process for logical mailings. If a mailer is able to provide documentation supporting a reduction in assessment due to evidence of physical mailings during the review process it will be taken into consideration.

5. The Appeals Process outlined in the DMM Section 604.10.1.2 does not appear to be consistent with the process outlined in Publication 685.

The Appeals Process for the eInduction, Full-Service, and Seamless Acceptance, programs are outlined in Section 6–3.3.3 PCSC Appeals of Publication 685. These programs are not covered by the timeline outlined in DMM Section 604.10.1.2. Mailers should work with their assessment reviewer to discuss the findings of the review and what type of documentation will be needed to file an appeal.

The Postal Service is amending DMM sections 705.20, eInduction Option, 705.22, Seamless Acceptance Program, and 705.23, Full-Service Automation Option, to add the applicable verification descriptions, error thresholds, and postage assessments, standards. <https://postal.pro.usps.com>, which also contains additional information on the verification processes.

Read more at <https://www.gpo.gov/fdsys/pkg/FR-2018-01-09/pdf/2018-00005.pdf>.

Briefs

Barnes & Noble Education Inc. reported double-digit revenue increases despite troubling data for its industry, thanks to a focus on digital sales. “There is an increasing emphasis on affordability and measurable achievement by our college partners, students, faculty and many state governmental agencies,” chairman and CEO Mike Huseby said on a conference call with stock analysts last month, according to a transcript from *Seeking Alpha*. “All are demanding higher value-to-cost ratio from providers of services and content.”

The company reported a 15.1% year-over-year increase in revenue for the fiscal 2018 second quarter ended Oct. 28, 2017, to \$886.9 million. <https://www.digitalcommerce360.com/2018/01/08/barnes-noble-education-gets-digital-sales/>.

The USPS performed well in the annual rating of the public’s experience with federal government agencies. The Postal Service earned the most positive reviews. Seventy-four percent of Americans rated the USPS as doing an excellent or good job. The next most popular agencies were the Centers for Disease Control and Prevention, the Secret Service, Department of Homeland Security, and the FBI.

Veterans Affairs Department (VA) ranked lowest among federal agencies. The Secret Service saw the biggest gains in popularity since a 2014 rating, with its scores improving by 20 percentage points to 63%. The FBI made no gains since 2014, once again receiving a 58% approval rating. This might not be a disappointment to the agency in light of the executive branch’s many criticisms of its performance and professionalism as a result of its investigations of alleged collusion between members of the administration and Russia.

Gallup conducted the survey from Dec. 18-19, 2017

with a random sample of 1011 U.S. adults. The poll had a margin of error of plus or minus 4%. http://www.govexec.com/management/2018/01/federal-agencies-americans-most/144881/?oref=govexec_today_nl.

Postal Service workers conduct safety checks and manage equipment using printed checklists even though a mobile device would improve efficiency and accuracy, researchers found. Capital Metro Postal Service has strived to improve operations by adding to safety policies, procedures and standards. Without modernization of employees’ performance of safety checks, these changes add to work burdens and reduce productivity.

Now the Postal Service’s Inspector General (OIG) reports that use of a survey product like Qualtrics or SurveyGizmo would streamline the process, reduce human error, and improve management’s analysis of data. “As a result of not integrating automated tools and techniques, management may be missing opportunities to collect data in a more efficient, timely manner and with fewer errors,” auditors wrote in the report.

The OIG recommended the Postal Service test programs using mobile devices for recording checklist data, and Capital Metro management hopes to launch its first pilot by April 30. <http://www.nextgov.com/emerging-tech/2018/01/report-post-offices-should-automate-pen-and-paper-safety-checks/144963/>.

Suburban Cleveland mail carriers are talking turkey as the birds have blocked efforts to deliver mail to two dozen homes. *The Associated Press* reports the carriers have complained of “unsafe conditions” due to the presence of the turkeys. While some carriers have been pecked, none has been injured. <https://www.wsls.com/news/weird-news/postal-workers-aggressive-turkeys-preventing-mail-service>.

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