

# POSTAL NEWS

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THURSDAY, AUGUST 13, 2009

## 1. Postal service says it must cut 50 jobs in Watertown

The U.S. postal service is cutting 50 jobs at its Watertown sorting center. Spokesperson Maureen Marion says 13 people will be transferred to the postal facility in Syracuse. Those employees will sort the mail delivered to all of northern New York. This work has been done in Watertown for decades. But Marion tells Jonathan Brown that advances in technology, the economy and a decline in the volume of first-class mail is forcing the postal service to make big changes.

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## 2. AARP, Sen. Isakson, and US Postal Services create controversy after Obama's health INSURANCE speech.

August 12, 11:34 PM Atlanta Political Buzz Examiner Ewa Kochanska

Portsmouth High School in Portsmouth, N.H. (AP Photo/Alex Brandon)

The positively uneventful rally town-hall meeting President Obama held yesterday did not provide the public with any new information or exciting debate on healthcare reform – or, as the President calls it, “health INSURANCE reform.”

The same catch phrases, the same talking points, the same complaints about the critics and those who oppose “public- option” “fear-mongers.”

The President never heard any challenging questions, perhaps because the audience was very obviously pro Democrats' reform and infatuated with Barack Obama (one person shouted “we love you”, which was hard to hear amid the applause and ovations). They even chanted adoringly “yes we can” at some point, for the old time's sake.

But that doesn't mean the speech meeting didn't result in some controversy.

The first one, gaining most exposure in the media, involves the American Association of Retired Person (AARP):

“We have the American Nurses Association [ANA] supporting us. We have the American Medical Association [AMA] on board,” said Obama at the meeting to a huge applause, “America's doctors and nurses know firsthand how badly we need reform. (...) We have the AARP on board because they know this is a good deal for our seniors.”

Later, he went on to say: “Well, first of all, another myth that we've been hearing about is this notion that somehow we're going to be cutting your Medicare benefits. We are not. AARP would not be endorsing a bill if it was undermining Medicare, okay?”

While the first two, ANA and AMA, officially endorsed Obama's plan on July 15th and 16th, AARP did not. “While the President was correct that AARP will not endorse a health care reform bill that would reduce Medicare benefits, indications that we have endorsed any of the major health care reform bills currently under consideration in Congress are inaccurate,” said an AARP official in a statement following President's speech.

White House Press Secretary Robert Gibbs did his best to save the situation without flat out admitting that the President was wrong: “AARP has said they are certainly supportive and have been for years on comprehensive health reform,” Gibbs said. “I don't think the president meant to imply anything untoward. I think he discussed the notion that AARP is supportive of legislation -- or, I'm sorry, an agreement that would -- that would fund filling the doughnut hole for seniors as part of Medicare Part D, as well as additional savings for comprehensive health care reform.”

But AARP's chief operating officer Tom Nelson didn't like that explanation: “indications that we have endorsed any of the major health care reform bills currently under consideration in Congress are inaccurate.”

The second controversy involves Georgia Republican Senator Johnny Isakson.

“It turns out that I guess this arose out of a provision in one of the House bills that allowed Medicare to reimburse people for consultations about end-of-life care, setting up living wills, the availability of hospice, et cetera. (...) This is I guess where the rumor came from [about the “death-panels].

The irony is that actually one of the chief sponsors of this bill originally was a Republican -- then House member, now senator, named Johnny Isakson from Georgia -- who very sensibly thought this is something that would expand people's options.”

Sen. Isakson who's up for re-election in 2010 apparently did not appreciate the mention, especially since the way the President worded himself, it sounded as if Isakson is actually contributing to the current Democrat healthcare plan. Not a good thing for a Georgia Republican.

“This is what happens when the President and members of Congress don't read the bills. The White House and others are merely attempting to deflect attention from the intense negativity caused by their unpopular policies. I never consulted with the White House in this process and had no role whatsoever in the House Democrats' bill,” Isakson said in a press release.

The White House clarified that Obama was not talking about the current legislation moving through the House but one from 3 years ago that Isakson supported.

The third issue is not really a controversy, but a good Obama sound bite for those who oppose Democrats' reform.

“People say, well, how can a private company compete against the government? And my answer is that if the private insurance companies are providing a good bargain, and if the public option has to be self-sustaining (...) then I think private insurers should be able to compete. They do it all the time.

I mean, if you think about -- if you think about it, UPS and FedEx are doing just fine, right? No, they are. It's the Post Office that's always having problems.“  
Comparing the reform to the workings of the US Postal Services, and then immediately pointing out how dysfunctional it is, might not be the best way to sell the pending legislation to the American people. Of course, this is a false comparison since UPS and FedEx are not allowed to actually compete with USPS, they – unfortunately – are not allowed to deliver first class mail (sigh). That’s “if you think about it.”

Sources:

WhiteHouse.gov

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### **3. U.S. Postal Service’s Sticky Situation**

To privatize or not?

By Heide B. Malhotra

Epoch Times Staff Aug 12, 2009

The U.S. Post Office might privatize to escape financial ruin. (Paul J. Richards/AFP/Getty Images)

WASHINGTON—The U.S. Government Accountability Office (GAO) recently announced that the U.S. Postal Service (USPS) is at risk of financial insolvency. The post office made GAO’s list of government operations that are considered costly and “high risk.” GAO submits its High Risk Series report to Congress every two years.

“Addressing USPS’s financial viability is critical as USPS plays a vital role in the U.S. economy and in providing postal services to all communities. Moreover, it is the largest civilian federal agency, employing about 633,000 career and 94,000 non-career employees,” the GAO said in the report.

Congress has given the USPS opportunities to pull itself out of financial trouble. Sen. Joseph I. Lieberman, I-Conn., Chairman of the Governmental Affairs Committee, announced in a July 30 press release that the committee passed legislation that gives the USPS increased borrowing power to pay for obligations arising during 2009. Even with the extra help, the USPS has become the object of criticism, drawing calls that it be privatized.

Privatizing USPS

USPS, like many government agencies, has become an albatross. It has many branches and sub-branches throughout the United States which are no longer needed, as mail traffic has decreased substantially due to the advent of e-mail.

Experts have called for privatization and point to Japan, whose parliament privatized Japan’s postal services in 2005. In 1995, Germany’s Deutsche Bundespost privatized its postal service and is often cited by privatization proponents as a major success story.

The European Union plans to reform the postal systems of most member states by December 31, 2010.

“The USPS is a drag on the government, on the economy, on the marketplace it unfairly distorts, and on consumers and taxpayers. It should be privatized without delay,” wrote Sam Ryan, in a blistering article “Privatize This” on the National Review Web site in 2005. He predicted that in the not-too-near future, USPS will go bankrupt.

That day may have arrived.

#### Lowered Revenue

The last year USPS reported income from its operations was in 2006. Beginning in 2007, its fortunes soured and it began to report significant losses: \$5 billion at the end of fiscal year (FY) 2007 and \$3 billion in FY 2008, according to its annual financial report. On June 30, 2009, the third quarter of its fiscal year, the USPS reported a staggering \$4.7 billion net loss.

Projected losses for 2009 and 2010 are about \$7 billion, which according to the GAO, is unsustainable in the long term.

Since 2006, total mail volume has decreased by 10.4 billion annually on average. First class mail took the greatest hit since 2006, decreasing by more than 6 percent overall or 6 billion annually.

Between October 2008 and May 2009, total mail volume has decreased by 18.5 billion letters and USPS management predicts that the mail volume for 2009 will decrease by 28 billion.

The culprit is a combination of economic realities, increased reliance on e-mail, and the USPS's inability to address problems effectively and efficiently, according to the GAO.

"USPS urgently needs to restructure to address its current and long-term financial viability. USPS has not been able to cut costs fast enough to offset the accelerated decline in mail volume and revenue—particularly costs related to its workforce, retail and processing networks, and delivery services," read the GAO's High Risk Series release.

Costs increased in that time as well—fuel prices were unexpectedly high, to almost \$500 million annually. A \$5.6 billion health benefit obligation as stipulated under the 2006 Postal Law, among other expenses, put another nail in USPS's coffin.

#### Making Its Case

The GAO charges that the USPS is procrastinating and not meeting new targets fast enough, but USPS is on the defensive.

"We began 2008 with a goal of reducing costs by \$1 billion. We soon doubled that target, which we not only met, but exceeded by year-end," read a letter in USPS' 2008 annual report.

USPS claims that its prices are the lowest among its peers in foreign countries. It could only increase first class mail by 10 cents from 31 cents between 1998 and 2008. Mexico and Japan's postal services increased mail by 26 cents, from 23 to 49 cents and 59 to 85 cents respectively.

Costs were reduced by more than \$2 billion during 2008, overtime hours were curtailed by 50 million hours, and 20,000 positions were eliminated, Postmaster General John E. Potter said.

"We are subject to Congressional oversight, regulation by other government agencies, and also oversight by various other organizations and the public," USPS said in their annual report. "If we cannot successfully address their various, and sometimes competing, concerns, we may be subject to greater regulation, which could increase our costs or otherwise place additional burdens on our operations," USPS warned regulators in the annual report.

The USPS is not eligible for tax dollars and is self-financed. Congress has appropriated no funds to USPS since 1982. It finances itself from cash from operations and borrowing from the Federal Financing Bank, which is under the supervision of the U.S. Treasury.

In 2008, USPS's borrowing amounted to \$7.2 billion, an increase of \$3 billion from the end of fiscal year 2007.

The USPS exists under Title 39, Section 101.1 of the United States Code. It has monopoly power concerning first-class mail. Although it operates as a private enterprise, it does not pay federal or local taxes, may borrow from the Treasury at discounted rates, and can use governmental rights of eminent domain to attain private property. The USPS is not a profit-oriented entity, but is required to break even.

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#### **4. Postal Service planning discounts for big mailers**

By RANDOLPH E. SCHMID (AP) – Aug 12, 2009

WASHINGTON — Looking for ways to boost business, the Postal Service is planning to offer discounts to some of its best customers.

Companies that mailed at least 500,000 first-class letters, cards or large envelopes between Oct. 1 and Dec. 31 in each of the last two years will be eligible for the lower prices, according to papers filed with the Postal Regulatory Commission.

Under the plan, the Postal Service would establish a base amount of mail for companies that apply for the discounts, and they would be eligible for 20 percent discounts on mailings over that level in the October-December period.

The agency estimated that the program would bring in an additional \$43 million, between new mail and mailings that move up from standard to first-class service.

Between the recession and the switch of millions of mail pieces from the post office to the Internet, the Postal Service is anticipating finishing this year \$6 billion in the red, despite a rate increase, reduction in staff and other cost-cutting efforts.

That would not be affected by any increase generated by the discounts because they would not take place until after the Oct. 1 start of the new fiscal year.

In other efforts to save money, postal officials are seeking a cut or delay in the more than \$5 billion annually the agency must pay to fund future retiree health benefits, and they have also proposed cutting mail delivery to five days-a-week and closing some local post offices.

The Postal Service does not receive taxpayer funds for its operations.

On the Net:

U.S. Postal Service: <http://www.usps.com>

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Aug 11, 2009 08:20 ET

#### **5. Reva Systems' RFID Infrastructure Solution Monitors Postal Mail Around the World**

Universal Postal Union Selects Reva TAP for Global Monitoring System

Highlighted Links

<http://www.revasystems.com>

WESTFORD, MA--(Marketwire - August 11, 2009) - Reva Systems, the leading RFID infrastructure provider, today announced that its Tag Acquisition Processor (TAP) product family was selected as the RFID infrastructure solution for an international RFID rollout by the Universal Postal Union (UPU).

The UPU's Global Monitoring System (GMS) will begin with 21 member countries deploying RFID to measure mail-service quality between participating nations. With headquarters in Berne, Switzerland, the UPU sets rules for international mail exchanges and helps to ensure an accessible, efficient, and high quality global network of modern postal communications.

The GMS will be launched this month, beginning with the insertion of RFID tags into test letters measuring the time taken to deliver mail. This data will be sent to the central information management system operated by the UPU's International Bureau and could be used to calculate terminal dues.

The UPU's standards-based GMS architecture utilizes UHF Gen2 tags that will be automatically read by portals at exchange offices around the world. Portal functions and collection of tag data will be managed by Reva TAPs at each location.

The UPU selected AIDA Centre, an RFID systems integrator based in Spain, to supply RFID tags and equipment for the GMS project. Further expansion beyond the initial 21 countries to as many as 100 countries is anticipated beginning in 2010.

"We have already been using the Reva Systems TAP in production with other postal customers since 2008," said Joan Pons, Managing Director at AIDA Centre. "So Reva's TAP was the platform of choice when we responded to the UPU tender. Along with its core infrastructure features, the TAP product line also allows us to rapidly develop and host our own value-added capabilities to meet the UPU's specific requirements." Pons also noted that remote management capabilities and reliability across both network and power outages were key requirements for UPU's production system.

"Reva Systems is pleased to work with AIDA Centre in commissioning our products for the UPU," said Ashley Stephenson, Reva Systems chairman and co-founder.

"Whether providing infrastructure for a single portal in a remote exchange or 50 portals in a busy western European mail hub, the scalable family of Reva TAP solutions enables a rugged and easily deployable solution."

"For the UPU GMS, a robust RFID platform that can be rapidly deployed to countries around the world was required," said Pons, AIDA Centre. "The Reva TAP meets all of our needs."

About AIDA Centre

AIDA Centre S.L. is a Spanish based company dedicated to designing and marketing solutions and projects based on radio frequency identification (RFID) technology, also known as electronic tagging. It was established in June 2004 and can now claim to be one of the leading companies worldwide in this field. The company's object is to provide markets with RFID solutions that exceed client expectations, maximize shareholder value and contribute to employee development. The company was created as an initiative of the local government innovation section, the Catalan Foundation for Research and Innovation (FCRi), which identified RFID technology as being of strategic importance for a number of industries with roots firmly established in Spain. This initiative received backing from five entrepreneurial partners with extensive experience in technology and economics and an interest in developing innovative RFID solutions and products to contribute towards the success of Spanish and international companies. For more information, visit <http://www.aidacentre.com/>

#### About UPU

Established in 1874, the Universal Postal Union (UPU) with headquarters in Berne, Switzerland, is the primary forum for cooperation among international postal services. With 191 member countries, this specialized agency of the United Nations fulfils an advisory, mediating and liaison role, and renders technical assistance where needed. It sets the rules for international mail exchanges and makes recommendations to stimulate growth in mail volumes and to improve the quality of service for customers. For more information, visit <http://www.upu.int/>

#### About Reva Systems

Reva Systems develops RFID infrastructure products that enable customers to rapidly deploy scalable solutions in any environment. Reva's standards-based Tag Acquisition Processor (TAP) products enhance the performance, manageability and accuracy of RFID systems while reducing implementation time and complexity. Reva products are delivered by a global network of partners and are deployed worldwide by enterprises using RFID to generate value in diverse industries. Reva was founded in 2004 and is headquartered in Chelmsford, Mass. For more information, visit [www.revasystems.com](http://www.revasystems.com).

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### **6. Charges after Australia's biggest postal fraud**

Georgina Robinson

August 12, 2009

The owner of a Sydney post office has been charged with committing Australia's biggest postal fraud over the allegedly fraudulent sale of \$4.2 million worth of stamps and envelopes.

The 43-year-old licensed owner of the post office IN Kent Street, Millers Point, was arrested yesterday after an investigation involving NSW Police, Australia Post investigators AND the Australian Federal Police.

The man was allegedly defrauding Australia Post over money paid to him for the alleged sales of postage stamps and envelopes sold through the branch.

Police said the fraudulent sales totalled more than \$4.2 million.

He was charged with defrauding the Commonwealth or a public authority, dishonestly intending to obtain a gain and theft.

He was refused bail and will appear at Central Local Court today.

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