

# POSTAL NEWS

No. 171/2009

**Formulated by UNI-Japan Post in cooperation with UNI-Apro,  
ASPEK Indonesia and SPPI**

At hearing on future of Postal Service, no dearth of despondency. Nov 6, 2009. Postal Service eyes options beyond layoffs and buyouts. Nov 5, 2009.
--

## **1. At hearing on future of Postal Service, no dearth of despondency**

The U.S. Postal Service is considering closing or consolidating many post offices as the agency faces a \$7 billion loss this fiscal year. (Bob Child/associated Press)

By Joe Davidson

Friday, November 6, 2009

A congressional hearing on the future of the U.S. Postal Service can be one depressing experience.

The sky outside the Rayburn House Office Building was bright Thursday morning, but it was all gloom and doom in Room 2154.

Members of a Committee on Oversight and Government Reform panel explored novel ways the Postal Service might pull itself from deep debt -- selling birthday cards, for instance -- but what they heard was apprehension about the future and dismal reports about the past.

The title of the session, "More Than Stamps: Adapting the Postal Service to a Changing World," conveyed the possibility that if only the neighborhood post office could sell more than its traditional range of goods and services, it might be able to catch up with a world that seems to have left it behind.

Meanwhile, one way to save the Postal Service big bucks -- delivering mail five days a week instead of six -- was largely ignored. The panel had discussed it before and probably will need to again, because the avenues they explored Thursday don't seem to go very far.

Several speakers acknowledged the \$4 billion in savings, through a modification of USPS retiree health benefit fund payments, that Congress approved in September. That was one leg of a two-pronged strategy that postal officials would like to pursue to save enough money to rescue USPS from financial ruin.

The other prong sat like an elephant in the room whose presence was only briefly acknowledged. Officials estimate that the elimination of Saturday delivery could save up to \$3.5 billion annually. Going to five-day delivery is an integral part of the Postal Service's effort to "aggressively bring down our costs," said Robert F. Bernstock, president of mailing and shipping services.

But members of Congress are wary of cutting delivery days, no matter how strong the Postal Service's arguments.

Rep. Gerald E. Connolly (D-Va.) apparently believes Saturday delivery is central to our well-being. He said that "the ability of the Postal Service to deliver mail quickly on six days of the week . . . protects our constituents' quality of life," in addition to facilitating business advertising and product distribution.

USPS officials would like congressional permission for post offices to sell items such as pens, markers and presentation folders, along with banking, insurance and telecommunications products. Already, some branches, including the one at L'Enfant Plaza, sell greeting cards as part of a pilot project.

Bernstock said selling services to federal, state and local agencies, such as the passport services USPS now provides for the State Department, is another way to make money. Allowing drivers to renew their licenses at post offices would fall in that category.

And Connolly suggested the Postal Service could "work in partnership with community banks to integrate banks in post offices in a manner that would help both existing community banks and the Postal Service."

Rep. Stephen F. Lynch (D-Mass.), chairman of the subcommittee on the federal workforce, Postal Service and the District of Columbia, noted that Postmaster General Jack Potter, who wasn't at the hearing, likes to point out that the agency has more retail outlets than McDonald's, Starbucks and Wal-Mart combined. Maybe if USPS sold cheap burgers, overpriced coffee and everything from toilet seats to television sets, it could get in the black.

Lynch opened the hearing by saying it would "examine the steps the Postal Service has taken and the results achieved so far in this area."

The sad truth is that no one, not Bernstock, the other experts who testified or committee members, expressed any expectation that product diversification could overcome the \$7 billion loss facing the agency. There's no point in counting on revenue-generating initiatives alone to close the Postal Service's financial gap, Bernstock told the panel. "This is clearly not realistic," he said.

Past USPS projects to generate revenue have achieved only "limited results," a Government Accountability Office official, Phillip Herr, told the subcommittee. Those projects included a "summer sale" that cut rates for large-volume mailers during a generally slow period.

History provides no comfort. "USPS lost nearly [a total of] \$85 million in fiscal years 1995, 1996, and 1997 on 19 new products, including electronic commerce services, electronic money transfers, and a remittance process business, among others," according to Herr's report.

Taking all this in didn't leave anyone feeling good.

"I'll try to be as optimistic as possible," said a pessimistic-sounding Rep. Danny K. Davis (D-Ill.).

Closing the hearing, Lynch summed up the feeling in the room: "I think this panel has suffered enough."

000

## **2. Postal Service eyes options beyond layoffs and buyouts**

By Emily Long

elong@govexec.com

November 5, 2009

The U.S. Postal Service must look for new ways to generate revenue beyond simply reducing its workforce, said lawmakers and witnesses during a House hearing on Thursday.

Employee layoffs are not the only solution to digging the agency out of debt, said Rep. Stephen Lynch, D-Mass., chairman of the House Oversight and Government Reform's federal workforce subcommittee. "It would be a mistargeting of our problems to look at the backs of our employees."

But Lynch expressed disappointment over the agency's consolidation and cost-savings efforts thus far, particularly because recent buyout offers have not generated enough employee interest to reduce the Postal Service workforce.

The Postal Service is expecting a net loss of \$7 billion for fiscal 2009.

Other than layoffs and buyouts, adding retail and other services could increase revenue, witnesses said. The Postal Service already has a partnership with Hallmark to sell greeting cards in 1,500 locations nationwide. USPS currently accepts passport applications, and is considering partnerships with a range of federal and state agencies to offer broader credentialing services. The subcommittee also questioned whether the agency could benefit from taking on some census functions for the 2010 decennial count.

"There's a lot more we can do with the facilities that we have," said Robert Bernstock, president of mailing and shipping services at the Postal Service.

The challenge, witnesses and lawmakers agreed, is to adopt new services without encroaching on those already provided by private companies. At the same time, the private sector could be the best source for creative solutions, and several committee members appealed to those with innovative ideas to help develop a business model.

Several witnesses offered foreign postal services as models for reform, citing innovation and limited political interference in their operations. While these additional freedoms are important, the Postal Service also must reflect its traditions and continue

to support mail functions, said Ruth Goldway, chairwoman of the U.S. Postal Regulatory Commission. "The rationale that 'others are doing it' does not satisfy this criteria," she said.

Though new revenue streams are part of the Postal Service strategy, a reduction in delivery frequency, closings and a smaller workforce still warrant consideration, witnesses said. For now, according to Goldway, there's no agreement on the cost savings with reduced service and location closings.

"At the end of the day, we need to increase the relevance of the Postal Service," said Rep. Jason Chaffetz, R-Utah.

#### COMMENTS

Our Post Office is reducing their Saturday window hours one of the busiest days and long lines hmmm guess they dont need the \$ that bad clerkkk

Posted November 10, 2009

11:46 AM

91632

Long lines at the Post Office are caused by the management. In our office, that is the primary area our Postmaster wants to cut. I agree when business is bad, we should go out of the way to provide great customer service. But management wants to go the other way. Easiest way to increase revenue without increasing costs is to reduce, in a gradual way, the discount offered on bulk mail down to closer to the cost of processing avoided by the Post Office. We are losing money processing the mail the way we are now, and management says raising costs on large mailers will cause an even bigger loss. Except, if they reduce the mail they send at a decrease costs, the total revenue per piece has to increase. First class mail paid at full postage will not change (might even increase if these mailers still believe it is the best way to reach customers) but the deeply discounted pieces will either reduce in volume or increase in revenue. You have to work both sides of the equation. Increase per piece revenue, increase the pieces at the higher revenue, and decrease costs.

G Miller

Posted November 9, 2009

7:53 PM

91501

This agency is in a leadership void. Micromanaged from DC by employees of former administration. Those former employees only respond to Congress & the President (PMG, Board of Governors, PRC). The only federal agency to be self sufficient is not going to get a lot attention. It would cost up to \$7 Billion to operate the worlds largest transportation fleet, pay 700,000 employees middle class wages (with health insurance), 34,000+ retail outlets (47,000+ total facilities) & provide universal mail service to almost 150 million sites. All other costs would be paid for by agency itself (almost \$80 billion taken in in 2006). Congress & the President don;t want to address the fact that the free ride is over for providing this federal service. These self serving mouthpieces want it all. Full universal mail service 6 times a week (7 days a week if you count express) at ZERO cost to the federal budget. Let's be honest. Anyone that

could run a company the size of the USPS during this economic downturn would NOT BE WORKING FOR THE GOVERNMENT! They would be the salvation at GM, AIG whatever. The postal workers aren't going to solve the financial problems besetting their agency. It's just as important to remember that this is a federal agency. Stop wishing on a star for free anything from the government. Time to pay the piper. BIGTEXX

Posted November 8, 2009

6:04 PM

91495

Sirs, In terms of cost cutting, perhaps a look at the management to employee ratio and the fact that the USPS employs, at last count, "39 " vice-presidents, is warranted. I agree that trying to trim the " inefficiencies " in the workforce is necessary but maintaining the mail standards is the raison d'etre for the Postal Service. These standards cannot be maintained without the requisite number of employees and therein lies the problem. Will the USPS maintain its own standards and requirements for the mail or will it budget itself to its own demise ?

Mark Comerford

Posted November 8, 2009

9:05 AM

91489

Looking at new revenue with the same surly, slow don't bother me employees???  
Better the broom the lot and start over. The key will be the upcoming union contracts that all expire in 2010 and 2011 unless work rules and medical benefits are changed the PO is doomed

dan m ketter

Posted November 7, 2009

10:46 PM

91481

Congress is asking the wrong questions to postal management in regards to the number of management positions cut. The question should be how many management employees have been "removed from employment" as the result of low mail volumes not how many positions have been cut. Because postal management cut positions and then creates one or more positions under different titles to keep the management personnel at an all time high while fighting to reduce the number of mail processing personnel that actually do the work.

38 Year Man

Posted November 7, 2009

8:23 AM

91472

Hello. Federal workers, absent postal employees, have enjoyed a minimum 2% increase per year for the past 20 years. Did Einstein say that compound interest was the greatest invention of man? Wages and benefits are a package. Postalworkers have collective bargaining. Their wage increases do not compare with federal workforce. So what is your point in singling out postal employee's health insurance subsidy?

bill miller

Posted November 6, 2009

9:45 PM  
91468

I expect ALL of these people to help me carry mail in a snowstorm. Walk a mile in my shoes

Dude

Posted November 6, 2009

7:05 PM  
91467

First of all, the p.o. did not save any money cutting 3500 mgmt. positions. They merely moved them into vacant positions they had not filled the last 10 years. Letting them keep thier same salaries. As for long lines at the counters, maybe these excess clerks should be on those counters to bring in more revenue. That would also keep waiting times down thus bringing in more customers. Have more offices open later and on Saturdays. Most people don't know that the majority of clerks work at night. This adds to millions of dollars each day to thier deficit. Have them process the mail starting at 6a.m saving billions each year. And lastly, if you want to get rid of workers. Offer 25,000 dollars and noooo penalty

BILL

Posted November 6, 2009

6:55 PM  
91465

Why dont the Postal Service just concentrate on mail delivery.

Baddboyy

Posted November 6, 2009

6:18 PM  
91462

The postal service has ruined my passport photo business. I am paying them to put me out of business. Since 1998 they have put many hundreds of people out of business. Their photos are terrible. The clerks don't like to do it. They are embarrassing themselves every time they have to come from behind the counter to do this "service". They charge \$15.00, no refunds. If you don't like them you pay again. And must they wear their gold chains and necklaces to work Must they show off their rolex watches. Look where they park. The cars that they own. SUV's maxed out..... The USPS should be ashamed of themselves.

Joe Harris

Posted November 6, 2009

5:54 PM  
91455

First, Fed Up, the USPS does not receive any tax dollars. Second, Wise Old Owl, the management of the USPS doesn't treat their employees with respect...it is very difficult to be all perky and happy when you are treated like garbage every day at work. Lastly, the management of the USPS needs to be cut in half -- at least. People who are so far removed from the situation are the ones handing down the mandates...without a clue.

donbo

Posted November 6, 2009  
4:16 PM  
91451

I'm glad I quit the PO 2 days after I started.  
JJ

Posted November 6, 2009  
3:48 PM  
91448

It seems like the main problem is that the USPS does not want to service their patrons. From reading the posted comments, it seems like customers want better hours, more clerks working to eliminate waiting times, etc... USPS's policy seems to be do what they want to do regardless of their customer base. A business can not succeed if they alienate their customers.

pete  
Posted November 6, 2009  
3:29 PM  
91442

Most people work basically the same hours at the post office - and sometimes longer hours. It makes it quite difficult to get to a facility on time to mail packages, buy stamps (which I also collect), etc. Even businesses who have all day to get their packages out wait until almost closing time to go to the post office. I suggest the post office be open the same hours as a shopping mall: 10 am through 9 pm. It could be staffed by fulltime workers and parttime workers so that no one is forced to work more than eight hours a day (plus meal time). Schedules could overlap so that the busiest time of day (seems to be after 4 pm) could be fully staffed allowing the line to move much quicker. By using this type of a schedule, having window service closed on Saturday might not be an inconvenience for many, if not most, of us. For my mail route, Saturday delivery is done by a parttimer who only works on Saturday and sometimes "covers" for a regular who is out sick or on vacation. Many people may now be using UPS or FedEx as they have stated in other posts; these facilities also are only open the "normal" working hours and no Saturdays. If the post office really wants to be competitive, they have to go the "extra mile" for servicing their customers. Relying on gimmicks that have nothing to do with stamps to raise extra revenue is a waste of time and money. Another area of contention: bulk mailers. They get rates as low as 3 cents per piece (I've seen that on some of the "junk" mail that I receive). That is ridiculous !!!! Start raising their rates.

jfb  
Posted November 6, 2009  
2:08 PM  
91440

You have got to be kidding me. Did I read this right (Truth is, it does not want to change where it needs it the most, that is from the bottom up instead of from the top down.) The bottom up ? I think the people at the bottom have been hit with cuts way too much. Its time to look at the top!!! That is where the money is wasted.

john  
Posted November 6, 2009

1:31 PM  
91439

Postal employees do not pay as much for health care because their wages are less than other Fed employees!

Ann Reynolds

Posted November 6, 2009

1:31 PM  
91438

Management at the USPS wastes billions of dollars. They continue to violate the same contractual issues over and over, after they lose it the first time. In addition, they cut the craft employees, but not managers. As they downsize the craft, they should downsize managers as well. Plus, eliminating the huge discounts to mailers would help, as well as sub contracting out work.

C. Smith

Posted November 6, 2009

1:29 PM  
91437

All the HQ people seem to be too large to actually carry mail, so they come into our stations with clipboards and pencils.

They watch us work while they micromanage us. They even took a tiny piece of my route away, and gave it to another carrier. Now both of us have park on the same streets and deliver mail to adjoining homes. I even requested to keep those addresses and work a little bit harder, but they would rather have both of us deliver in one neighborhood!

Brilliant!

PS I can't wait to retire!!!

PPS They disrespect us all morning, and the public expects us to be so happy and chipper! We're worried about being screwed by our supervisors when we get back to the station.

Mr/Ms Public please understand, the usps sucks, especially to work for. You can't just quit when you only have 5 or so years left!!!

Mail Carrier

Posted November 6, 2009

1:11 PM  
91436

Just like any government agency, there are good POs and there are less than good POs. I believe most postal employees try to do their best. I think it would be a mistake to try and create more products and more services. In reality, the Postal Service does a good job of distributing hard copy information and other such similar stuff. I can't offer solutions for their budget, because I don't know the details. However, I do think

if they concentrate on what they do best, I believe they can come up with a way to do it effectively and feasibly.

Charles W. Thompson  
Posted November 6, 2009  
1:04 PM  
91427

I agree with WR Lamm. I cannot believe that the Postal Service continues to subsidize employee health insurance premiums more than the Federal Government does for its employees. Any fully private organization with a \$7 billion shortfall would have cut back on this already, and the Postal Service, being quasi-private, should have done this already. At a maximum, the Postal Service should pay the same percentage of employee health insurance premiums as the Federal Government pays for federal employees.

Alan Owens  
Posted November 6, 2009  
12:07 PM  
91426

If the USPS wants employees to retire make a realistic offer. Penalties should be eliminate for retiring early. People are not going to retire when they are penalized for retiring.

Vinnie  
Posted November 6, 2009  
12:07 PM  
91419

About 20 years ago, the postal service tried to sell mail-related items (eg, t-shirts, post/greeting cards, pins, calendars, etc), and Congress told them they couldn't do it because it competed unfairly with private industry that sold those same items after a couple of businesses complained. As far as I could see, expect for the greeting cards (which were completely different from those sold in [Hallmark] stores), they were only doing what any entrepreneurial business would do to raise money.

And - Anyone that says they'll use UPS and/or FedEx just to save a little time has too much money to throw around.

Michelle Z  
Posted November 6, 2009  
11:19 AM  
91416

With future decreases in the use of the traditional mail system and the increasing use of electronic mailing and services, USPS will continue to operate in the red and be propped up by tax dollars until the Postal Worker's Union re-negotiates with management to reduce benefits. If the Union will not negotiate, they will jeopardize the whole USPS to privatization. But the majority of the the Union leadership are eligible to retire, so if USPS does privatize, they will just retire with their guaranteed pensions and leave the younger workforce to fend for themselves!

FED-UP  
Posted November 6, 2009

10:59 AM  
91415

The problem with the Postal Service (USPS) is rooted in its entrenched culture as much as any other factor. At the present, USPS blames the economy, the internet, and congressional interference for its woes, but even in the best of times USPS does not maximize its bottom-line focus because it is anally entrenched in micro-management and stifling the innovative spirit and creativeness of its employees at all levels (management and craft). Truth is, it does not want to change where it needs it the most, that is from the bottom up instead of from the top down. Managers responsible for creating vision and leading the organization forward are more interested in managing their own careers in the existing stultifying culture than effecting any meaningful internal change.

Seen Too Much

Posted November 6, 2009

10:50 AM  
91412

Sorry, but the Postal Service is going the way of the Pony Express. Technology has evolved and unfortunately, the USPS has not adapted. I can't remember the last time I ever used a stamp or mailed a letter or received one (other than junk mail). Banking is done online, email, Facebook for family and friends, and text messaging. When I want to mail a package or receive something, UPS is the better alternative.

Paul

Posted November 6, 2009

10:39 AM  
91410

Concur with all the comments about their customer service. It's awful...I can never get to the post office before they close. Couple of months ago, my city carrier didn't want to have to carry a package that I was expecting and put a note in my mail box (in the city) that I'd have to pick it up at the post office. I had to take annual leave and go home early, just so I could pick the parcel up....even after calling the Postmaster.

GSA Guy

Posted November 6, 2009

10:36 AM  
91409

Why not send every Postal employee a brief memo requesting their thoughts and ideas as how to initiate cost savings and increase revenue. If it's a joint effort by both management and the unions, it may provide big dividends.

Arthur Carucci

Posted November 6, 2009

10:28 AM  
91402

First: see that your sullen employees start treating customers with a little respect.

Second: keep your offices open with convenient hours for the public.

Wise Old Owl

Posted November 6, 2009  
9:57 AM  
91398

I was encouraged by the post office to stop using their services. My postal carrier either left outgoing mail in my mailbox or dropped it in the street. The supervisor didn't believe me when I reported it. As a result, I now pay all of my bills electronically. Thank you, USPS for forcing me into the electronic age.  
unhappy customer

Posted November 6, 2009  
9:18 AM  
91396

Why doesn't the postal service start a national lottery. We have numerous state and multistate lotteries but could have a national one and tickets could be purchased at any post office.

Nick Z

Posted November 6, 2009  
9:10 AM  
91395

Customer service at most post offices is terrible. Lines are long and clerks of limited help. Offices are poorly organized to facilitate quick service. I would rather spend the extra money to send by UPS or FedEx where I can just drop a prepaid package off than wait in line forever at the post office. They need to drop and go to just a 5 day delivery immediately. Keeping it at 6 days is just throwing money away.

Mike D

Posted November 6, 2009  
9:03 AM  
91392

The Postal Service shot themselves in the foot long ago by not offering customer friendly operating hours. It drove the average customer to other services that are open in the evening and on weekends.

Katherine Dallos

Posted November 6, 2009  
8:45 AM  
91390

How about postal employees increasing their share of contributions to their mailhandlers health insurance...they contribute less than half of other federal agency employees

WR Lamm

Posted November 6, 2009  
8:33 AM  
91387

The biggest problem with the postal service is not the products offered. Expanding the offerings is not going to help. They need to figure out how to get people in and out. Its

a pain just going to the post office just to get stamps. I avoid the post office as much as possible. Even if their rates are cheaper. My time is more valuable.

John Smith

Posted November 6, 2009

8:22 AM

91384

They are looking for new ways to make revenue. They are trying to upsell. I had to mail a DVD yesterday and they offered to send it overnight insured for 25 bucks. I said no thanks, send it the cheapest way possible. Upsell on shipping, gotta love it.

Sam

Posted November 6, 2009

7:31 AM

91382

why doesn't the usps charge for RFD?

russ petelle

Posted November 6, 2009

6:19 AM

91380

Great, just what we need, a host of more services from the Post Office so that the lines get even longer. Can customer service possibly be any worse? It is bad enough now when they ask you if you want to buy everything under the sun when you only want to mail one package. Now add, "Would you like to buy a Hallmark card? What kind would you like? Would you like a stamp with that?" Turn the Post Office over to the private sector and both speed and customer service will improve dramatically.

James Corbin

Posted November 6, 2009

5:59 AM

91379

What's wrong with continuing to subsidize a failed company at the rate of over \$5 billion per year? Folks at the highest levels never get anything: NSPS, Postal Service, strategy in Iraq, etc. What does it take to open people's eyes?

nathan wolfson

Posted November 6, 2009

5:45 AM

91375

For starters, a 5 day delivery will be of essence. And yes, there are other opportunities which could assist a hopefully smooth transition of USPS during the next decades. Selling greeting cards is not one of them, but rather a sign of desperation.

The task of transformation is not easy. USPS is expected to perform like a business, but at the same time USPS is plagued with regulations, which would cause most businesses to fail.

Postal Sanity

Posted November 6, 2009

1:48 AM

91367

USPS would greatly benefit from more local control over route structure. Local carriers could provide more efficient lines of travel. Remote administrators do not efficiently construct route maps and lose carrier "ownership" as well. Progressive management ideas of the past as "EI" really work. We are back-stepping...let's move forward!

City Carrier

Posted November 5, 2009

9:56 PM

000