

# POSTAL NEWS

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- 1. Nice Work Online Marketers! Now You're Killing the US Postal Service!.  
July 20, 2011.**
- 2. With Pensions Threatened, Postal Workers Union Goes on Offense. July  
20, 2011.**

By Frank Reed on July 20, 2011

## **1. Nice Work Online Marketers! Now You're Killing the US Postal Service!**

It wasn't enough to help put the newspaper industry in its place was it? Nope!

Now, the online marketing industry has put the US Postal Service on the skids and the Postmaster General, Patrick Donahoe is even predicting a very new look for mail delivery in 15 years or so. The following quote comes from an interview with USAToday

Asked about the long term, Donahoe said, "At some point, we'll have to move to three" days a week of mail delivery, possibly in 15 years.

Yikes! So why are we reporting this? Well, we are called Marketing Pilgrim after all and it's important for marketers to consider and fully understand how the best mix of effective traditional marketing techniques and the right online marketing options will help drive sales. Do you really believe that only the online space will be used for the foreseeable future? (Please say no).

Here is a video that gives some quotes from the Postmaster General which don't paint a very rosy picture for the US Postal Service.

So what about you folks who use direct mail to help drive online traffic? What's your plan moving forward? Will you hold on to the bitter end until you are forced to change or will you start to change now? If the USPS went away would that impact your business at all?

These are interesting times we live in regarding the blending of the new and the old of the marketing world. What do you suggest for the best ways to handle this transition?

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## **2. With Pensions Threatened, Postal Workers Union Goes on Offense**

Amy Payne

July 20, 2011 at 3:03 pm

The Postmaster General is warning that a postal budget crisis could cause mail delivery to be consolidated to just three days a week. Meanwhile, the American Postal Workers Union (APWU) is trying to convince lawmakers—and taxpayers—to keep all its union jobs.

The APWU's new radio ad airing in Washington, D.C., says the pounds of mail handled by workers don't cost you "a single cent."

"The United States Postal Service doesn't run on your tax dollars. It's funded solely by stamps and postage," the 30-second ad says. That's technically true (unless you count the legally enforced monopoly on first-class mail as a subsidy). Unless some real reforms are made in how the USPS operates, however, that will change. The USPS owes \$5.5 billion—due September 30—to future retirees' health benefits, which the Postmaster General says it can't pay. Its continuous hemorrhaging of money is creating the looming specter of a postal bailout.

According to the APWU, the ad is a direct response to Representative Darrell Issa's (R-CA) proposal to allow USPS to eliminate Saturday mail delivery. Issa's plan goes much further than that—he proposed ending the ban on closing unprofitable post offices and aligning compensation more closely with the private sector. He also proposed changing collective bargaining and requiring workers to pay more toward their health and life insurance—reforms that no doubt got the union's attention.

The Postal Service employs three times as many union members as the U.S. auto industry, and, like the auto industry, employee benefit costs are crushing it. Just last month, the Postal Service had to suspend contributions to employee pensions because the agency is already drowning in red ink. Postal employees also earn 15 percent to 20 percent more per hour than comparable workers in the private sector.

The APWU ad will run for three weeks on "news and/or talk stations in Washington DC and other markets," the union says. The campaign includes TV advertising on cable news channels and print ads in Capitol Hill-centered publications.

APWU president Cliff Guffey said, "The campaign is designed to inform the American people about the work our members perform and to dispel the persistent myth that the Postal Service is funded by taxpayers."

If drastic changes are not made, this myth could quickly become reality.

Posted in Enterprise and Free Markets, Featured

Comments (17)

Moman

· 1 day ago

if this were a "public" company, changes would be made or the doors closed. if mail is delivered 3 days a week, so be it. most of what i receive by the USPS goes straight into the trash. logic and common sense should prevail..

Bobbie

· 1 day ago

I support the postal workers 100%. Union? NOT!

Where unions are shown to be more useless than productive and cause more trouble than efficiency, remove!!

Nothing but an extra waste of money who's only use is their big mouths to tell half truths to further their gain through their instinctive corruption!!

cejkn

· 1 day ago

I think the post office should be made into a private company.

Collegeteapartier

· 1 day ago

I think we could all survive with only three days mail, I mean think about it....if you have to send something important and need it there quick who do you send it with? Not the USPS, most likely you send it fedex, ups, etc. The USPS needs to do whatever it has to do to cut costs and get back in the black with out government funding.

Mike Jordan

· 1 day ago

Privatize it NOW

infidel4ever

· 1 day ago

When is the federal government going to "sacrifice" as the private sector does and continues jobs decline from this BO, i.e., the despots policies and regulations! Why is Big Government immune from any cuts? I suggest we cut all their pensions and healthcare!

Michael

· 20 hours ago

I am curious as to how you would privatize the Postal Service. Would you split it up & give it to UPS? Fed Ex? Only the Postal Service has the infrastructure and staff to deliver to every address every day. The Service labors under restrictions that private companies do not. We are not allowed to make a profit, when we do, the US congress takes it away and spends it. We are not allowed to have our own aircraft, so we have to pay Fed Ex to fly the mail, and they make a good profit from that. Congress requires that we PRE-FUND retirement health care-the only agency that has to do that. That requirement alone ensures we operate in the red nearly every year. As you can tell, I work for the Service. I am an electronics technician, and service the sorting machines. I make about 62K gross/ year. That is 20K/ year less than I made when I worked for Intel in a similar job function. Is there waste at the Post Office? Heck yes. I have a non-technical supervisor, who makes at least 10k/ year more than I do, that

"supervises" 4 to 5 ET's. There are too many bosses and no incentive to reduce their numbers. The workforce has declined by 20% in the past 2.5 years, but we still have the same number of supervisors and managers. Many of my co-workers are vets, as am I. Why do you want to cut our families' health care and my pension? We have to pay for part of our health care, and we have co-pays & everything, just like private industry. BTW, the PMG has already stopped contributions to our pensions. Am I in the union? Yeah. Am I happy about that? No. The only winners in the last contract were the upper layers of union management.

I look forward to reading your comments.

Carl

· 10 hours ago

EXCELLENT post. I too work for USPS. I am an MPE assigned to keep our four FSS machines running in Jersey City, NJ. Although some people work quite hard, others rely on seniority to avoid doing anything, and their workload has to be picked up by others like me. This became obvious recently, which is why I am currently multi-rated to ET level pay. I have only been with USPS for 7 years, and I still can't believe how many people are paid so much for no reason other than the fact they have been here a long time. Private industry holds people accountable for their assigned duties. APWU seems to make it okay for USPS employees to simply show up on time, hit their clock rings and "try".

Rich

· 8 hours ago

Thanks for your service. Too many chiefs and not enough Indians is always a problem. It is interesting to note that the Postal Service has allowed its monopolistic position to be continually eroded by companies that do a better, more efficient job. UPS and Fed Ex, DHL and all the smaller private courriers all compete for the same postal delivery. It would seem, given the vast resources of the post office, that its service would be best equipped to compete and win the mail and parcel business. All that needs to happen is to get the government and union folks out of the way, and allow the business to operate free from interference. It probably means closing some post offices, and that may mean allowing the post office to get its own planes - something you mentioned that the rules do not allow you to now.

Rich

· 8 hours ago

As for pre-funding, I would consider that a hidden blessing. By making sure the money is in there now, there is far less chance that your benefits will be linked to someone else paying for them in the future. This does two things: it does not saddle the post office with "legacy costs" that will threaten its productivity in the future, hurting future generations of service workers, AND it is most likely to insure that your full pension will be available to you. Look at the mess the GM retirees are in. The taxpayers are still 19 Billion in the hole for that mess, and there is talk that that money may never be paid back. GM still struggles, and its doubtful we will not be at the same spot again in another decade or so, just like Chrysler. There are thousands of workers who depend on GM to pay their pensions, and without the government redistributing taxpayer money, those retirees would have lost it all as GM broke up and was sold in pieces.

Not meant to be overly critical, and I wish you the best in the future.

Rich

Errol

· 2 hours ago

Not trying to be unkind, but please check social security funds, remember the "lockbox"? Where is the money? If you trust the Congress to put the money, for "pre-funding" away for the future, you have WAY too much faith in the Congress. When the time comes, they will just cut benefits, like they have done before. This is just a way to use the USPS as a profit center. They (congress) has been collecting this money for over 15 years. How much money do you think they need for "prefunding"?

Michael

· 20 hours ago

I am curious as to how you would privatize the Postal Service. Would you split it up & give it to UPS? Fed Ex? Only the Postal Service has the infrastructure and staff to deliver to every address every day. The Service labors under restrictions that private companies do not. We are not allowed to make a profit, when we do, the US congress takes it away and spends it. We are not allowed to have our own aircraft, so we have to pay Fed Ex to fly the mail, and they make a good profit from that. Congress requires that we PRE-FUND retirement health care-the only agency that has to do that. That requirement alone ensures we operate in the red nearly every year. As you can tell, I work for the Service. I am an electronics technician, and service the sorting machines. I make about 62K gross/ year. That is 20K/ year less than I made when I worked for Intel in a similar job function. Is there waste at the Post Office? Heck yes. I have a non-technical supervisor, who makes at least 10k/ year more than I do, that "supervises" 4 to 5 ET's. There are too many bosses and no incentive to reduce their numbers. The workforce has declined by 20% in the past 2.5 years, but we still have the same number of supervisors and managers. Many of my co-workers are vets, as am I. Why do you want to cut our families' health care and my pension? We have to pay for part of our health care, and we have co-pays & everything, just like private industry. BTW, the PMG has already stopped contributions to our pensions. Am I in the union? Yeah. Am I happy about that? No. The only winners in the last contract were the upper layers of union management.

George Colgrove, VA

· 17 hours ago

It is getting painfully clear the government way-overstepped its bounds. The post office if run properly could continue as a public entity as it was. But it is a federal program run by overpaid, corrupt greedy federal workers. Everything this body of people are touching is dyeing. When the Shuttle lands today it will be DOA. THE NASA feds have killed their own agency. Federal forest lands are dyeing - because of the federal worker base. All the money in these programs no longer go to what it was intended for. With federal workers getting paid twice that of the private sector; with masses of federal workers occupying jobs that have no purpose, and with their benefits largely unfunded, these programs have very little money left over for actual work. The federal class is ending up being the highest paid welfare recipients ever! They just have to go to an office to get their check.

It is time to privatize the USPS. Let it restructure and map out its own future without burdening the taxpayer anymore.

Daver

· 13 hours ago

Outside of the postal workers, who rightfully have a reason to worry about their jobs, I don't understand the angst?

Consider--3 days a week, MWF, would still provide all mail within 36 hours of when it is currently delivered and it would allow the postal "business" to run more efficiently. 99% of everything else that is shipped and has to arrive in a shorter timeframe is already sent through other means anyway. So are we against businesses being run more efficiently cause it's not what we are "used to," or because of some other reason?

A successful and correct gov't adjustment in services would be a great first step--in becoming part of a 21st century business.

But I would definitely oppose any plan to privatize the US Mail--because all of a sudden people in Montana would stop getting their mail in any time circumstance--and that cannot be allowed to happen.

Lloyd Scallan

· 13 hours ago

Yet another prime example of why unions, all unions, has out lived any useful need to this society. Unions have become nothing more than political hacks for the Democrat party where every day members have no say as to where and to whom their dues are contributed.

NeoConVet

· 11 hours ago

Once again we prove an economic business fact.... that if there is a short fall in revenue then staff reductions, benefit cuts, services reduced must occur!  
Seems that the USPS is pursuing the business model of our Congress...spend more of what is not there!?

imrwg2

· 10 hours ago

If this were a public company with that many union employees they would have already been bailed out!

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