



# Newsletter

Volume 2, Issue 3

June, 2002

## Special points of interest:

- ? USPS Transformation Plan— How will it affect Owners of Post Offices?
- ? Facilities Budget Cuts How will they affect the Lessors?
- ? Five or Six day mail Service.

## Fact or Fiction

Bloodiest Battle was the Battle of Stalingrad which raged from the summer of 1942 until Jan. 31, 1943, 1,109,000 soldiers died.

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## The Postal Service Transformation Plan

These are excerpts from the Transformation Plan submitted to Congress. They emphasize the Facilities area:

**In the near term**, we have concluded that substantial improvements in the efficiency of the Postal Service can be accomplished without major revisions to current law, provided our customers, our employees, and policymakers fully recognize and embrace the fundamental long-term transformation we are beginning.

**In the long term**, we believe that fundamental restructuring of the legislative and regulatory framework for postal services is required.

In support of that process, this report outlines three

alternative models for the future role of the Postal Service. These range from a Government Agency, offering subsidized residual services not provided by the private sector, to a Privatized Corporation, a competitive company owned by private citizens. From among the conceptual models identified, we offer our own preliminary conclusion that a middle ground is the most appropriate: a Commercial Government Enterprise, owned by the government but structured and operated in a much more businesslike manner, with attributes appropriate to the unique role this institution plays in the nation.

During this crucial transformation period, in order to maintain our financial vi-

ability and fulfill our universal service mission, we commit that we will:

\* Foster growth by increasing the value of postal products and services to our customers;

? Improve operational efficiency; and,

\* Enhance the performance-based culture.

**Meeting the Challenge**  
In order to address the challenges we face today...we will implement the following specific strategies to support our commitments:  
Growth through Added Value to Customers

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## Budget Cuts Effect Facilities Department

The Facilities Department makes up less than 2% of the overall Postal Service budget. Yet time and time again, it is hit with cost cutting measures.

Several months ago, there was a freeze on New Construction that remains in

effect today. Then there was the closing of several Facilities offices and a major reduction in staff, with the possibility of more to come.

How does this affect the Lessor and the Real Estate Specialist?

Most Specialists are now

only negotiating leases with the Lessor.

Lessors are in a unique position, knowing the Postal Service has few options.

Caution! Be fair, don't try to make up for lost rent. Use rental comps when available.

# From The "Hill"

107th CONGRESS

1st Session

## H. RES. 140

Expressing the sense of the House of Representatives that the United States Postal Service should take all appropriate measures to ensure the continuation of its 6-day mail delivery service.

### IN THE HOUSE OF REPRESENTATIVES

May 10, 2001

Mr. GRAVES submitted the following resolution; which was referred to the Committee on Government Reform

#### RESOLUTION

Expressing the sense of the House of Representatives that the United States Postal Service should take all appropriate measures to ensure the continuation of its 6-day mail delivery service.

Whereas the United States Postal Service has announced that, in order to offset a projected budget shortfall, it may need to reduce the frequency of its mail delivery service from 6 days to 5 days a



Unites States Capitol

week (by ending Saturday delivery of mail);

Whereas 6-day mail delivery is an essential service that the American people have relied on since 1912, particularly working families that depend on the Postal Service for the timely delivery of their paychecks;

Whereas Social Security is the primary or sole source of income for many senior citizens, and any delay in the delivery of their Social Security checks would make it difficult for them to purchase even essential items such as food and medicine; and

Whereas ending Saturday mail deliveries would inevitably

cause not only delays in the delivery of mail, but higher postal costs, due to the many hours of additional overtime that the Postal Service would require in order to handle the resulting backup of mail: Now, therefore, be it

*Resolved*, That it is the sense of the House of Representatives that the United States Postal Service should take all appropriate measures to ensure the continuation of its 6-day mail delivery service.

END

Commentary:

The Postal Service finds itself in a very difficult position. It does not receive any tax dollars, yet it is often governed by the U.S. Congress as to what it can and cannot do.

Payroll and delivery are a large portion of their expense. A five day delivery would eliminate a substantial portion of their cost, and overhead, but you can bet Congress won't approve it without a fight. Their constituents want 6 day service.

C. Baker

## NEW REFORM MEASURE VOTED DOWN

### NEW REFORM MEASURE VOTED DOWN.

The Postal Service expressed disappointment that the movement of critical reform legislation doesn't appear

possible during the closing months of this Congress after the House Committee on Government Reform last week voted down a new postal reform measure, the Postal Accountability and Enhancement Act. Regardless,

USPS promises to continue doing everything possible within the limits of existing law to protect the right of every American to affordable, accessible, universal mail service.

# Transformation Plan Continued from page 1

Excerpts:

?????Enhance revenue opportunities by leveraging existing assets and infrastructure, including postal-owned vehicles and facilities.

?????Cost containment is the most important customer-focused strategy,... In this difficult environment, we will achieve cost savings by implementing a number of specific measures designed to improve operational efficiency over the next five years.

We will...

**Optimize the retail network by lifting the self-imposed moratorium on post office closures and working with the PRC to significantly streamline the process for closing post offices.**

Successful transformation of the Postal Service also depends in part on adoption of moderate regulatory and legislative reforms. ...We will therefore seek expeditious implementation of the fol-

lowing regulatory, legislative and administrative changes:

**Prices and Financing:** We will seek approval for negotiated service agreements and other targeted pricing initiatives, reforms in procedures for introducing experimental mail classifications, phased rates, and inclusion of costs in the revenue requirement to finance the expansion of the delivery network on a current basis. In the event that efforts to achieve these changes identify hurdles that cannot be cleared within the scope of our existing statute, we will ask Congress to enact legislation to remove those hurdles.

**Facilities.**

The Postal Service **will lift the self-imposed moratorium on post office closings and consolidations.** The ultimate goal is to better serve our customers. A combination of rural delivery and alternative retail strategies may provide the most convenient access for the customer. **To optimize facility net-**

**works, the Postal Service will also seek relief from legislative restrictions on post office closings and consolidations. Currently applicable administrative procedures should be streamlined or repealed, and appropriations riders referring to post office closings and 1983 service levels should be discontinued.**

**Flexible, Business-Driven Purchasing Procedures.**

In total, these near-term, customer-focused, operational, and performance-based strategies will generate \$5 billion in savings and cost avoidance through 2006, of which \$1 billion will be in post office operations.

These savings will enable us to achieve some debt repayment and to hold rates steady from mid-2002 until calendar year 2004. If a rate increase is needed at that time, a moderate, negotiated increase will be pursued.

## New Rates To Take Effect June 30, 2002

**Single-Piece Rates**

First ounce \$0.34  
Each additional ounce \$0.23

**First-Class Mail Rates**

Weight not over (ounces)	Rate
1 <sup>1</sup>	\$0.34
2	0.57
3	0.80
4	1.03
5	1.26
6	1.49
7	1.72
8	1.95
9	2.18
10	2.41
11	2.64
12	2.87
13	3.10

Over 13 ounces (see Priority Mail).

**Postcard and Stamped Card Rates**

Postcard \$0.21  
0.23

**Priority Mail**

Priority Mail offers 2-day service to most domestic destinations. Items must weigh 70 pounds or less and measure 108 inches or less in combined length and girth.

Mark each package "Priority Mail" in the postage area or use a USPS provided Priority Mail envelope or box.

**Features**

Priority Mail envelopes, labels, and boxes are available at no additional charge at post offices or by calling 1-800-222-1811. Pickup service is available for \$10.25 per stop, regardless of the number of pieces.

**Priority Mail Rates**

Weight	Rate
Up to 1 pound	\$3.50
Up to 2 pounds	3.95
Up to 3 pounds	5.20
Up to 4 pounds	6.45
Up to 5 pounds	7.70

For packages over 5 pounds, rates are based on the weight of the piece and the zone (distance from origin to destination ZIP Code). **Priority Mail Flat-Rate Envelope**

\$3.95, regardless of weight or destination, for matter sent in a Priority Mail Flat-Rate envelope provided by the Postal Service.

**Express Mail**

Express Mail is our fastest service, with next day delivery by 12 noon to most destinations. Express Mail is delivered 365 days a year—with no extra charge for Saturday, Sunday, or holiday delivery. All packages must use an Express Mail label. Items must weigh 70 pounds or less  
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Rates, cont.

and measure 108 inches or less in combined length and girth. **Express Mail Rates for Post Office to Addressee Service**

Weight	Rate
Up to 8 ounces	\$12.45

## OUR ADDRESS HAS CHANGED

P.O. box 8978  
Madeira Beach, FL 33738

Phone: 727-395-0111  
Fax: 727-395-0117



Over 8 ounces up to 2 pounds	16.25
Up to 3 pounds	19.15
Up to 4 pounds	22.05
Up to 5 pounds	24.85
Up to 6 pounds	27.70
Up to 7 pounds	30.45
Up to 8 pounds	31.65
Up to 9 pounds	32.95
Up to 10 pounds	34.15

For weights over 10 pounds, see the Domestic Rate Calculator or Domestic Mail Manual R500. Express Mail rate are also available in PDF format in Ratefold (Notice 123) on Postal Explorer. The Domestic Rate Calculator will compute rates for all Express Mail packages and provides options for adding special services.

**Express Mail Flat-Rate Envelope \$16.25**, regardless of weight or destination, for matter sent in a flat-rate envelope provided by the Postal Service

*We're on the Web*  
[www.parsell.net](http://www.parsell.net)

# The Eye

## What are the Lessors saying?

Many Lessors realize that the Postal Service is not in a very good position to negotiate low rental rates.

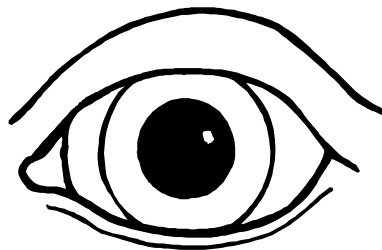
The Eye cautions all Lessors to consider the alternative and to do what Mom taught us, "do unto others as you would have them do unto you".

You don't want to bit the hand that feeds you, but you do and should receive a fair rent.

In all negotiations, make sure the Postal Service understands that you want them as a tenant, unless you don't.

Since the construction freeze, only emergency projects for new construction are being considered. If

you are holding firm to a rent you can support you don't want them to make an emergency project for your facility.



The Eye

## What RES's are saying?

My work load has doubled.

I used to think my job was safe!

When asked about the transfer and how they liked it, "at least I have a job".

I have 1 year, three months and 7 days to retirement.

Do you have an opinion? Do you agree or disagree?

**We have changed our address: again, for the last time. I promise.**

Submit you comments to the ParSell Newsletter.

Address: P.O. Box 8978

Madeira Beach, FL 33738

E-mail Address:

[Chuck@parsell.net](mailto:Chuck@parsell.net)