

# POSTAL NEWS

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## 1. Postage Stamp Has Small Error in Formula

Jan 15, 2008

WASHINGTON (AP) — Use it as a postage stamp, not a chemistry text.

In spite of a small error in a chemical formula, the Postal Service is going ahead with a commemorative stamp honoring biochemist Gerty Cori. She discovered cori ester, a derivative of glucose.

The formula for the chemical is shown on the stamp. The error is in the placement of a line in the formula and does not create a new chemical, Postal Service spokesman Roy Betts said Tuesday.

The Cori stamp is among a set of four 41-cent stamps honoring American scientists and scheduled to be issued March 6.

The error was discovered by Chemical & Engineering News, which published an image of the stamp, and was first reported by Linn's Stamp News.

(This version CORRECTS day to Tuesday instead of Monday.)

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## 2. Anti-Muslim slurs scrolled on letters to Arabs

Arab citizens across country receive letters containing inscriptions against Prophet Muhammad

Sharon Roffe-Ofir

Published: 01.15.08, 23:38 / Israel News

Israeli-Arab citizens across Israel have been receiving lately letters containing slurs against the Prophet Muhammad. The recipients believe that an employee of the Israel Postal Company is behind the acts.

The letters, usually formal correspondence from bodies such as banks or HMOs, were sent to residents in Lod, Umm al-Fahm and Qalqilya who consequently lodged complaints with the police.

In one of the cases, Umm al-Fahm resident Saeb Mahmid received a letter from a large Israeli bank bearing the inscription "Muhammad equals terror." Mahmid initially suspected that one of the bank's workers was responsible for the message, but a bank spokesman rejected the claim and strongly condemned "any such remark."

In a separate incident, a Lod resident called Abu Ghanem received a letter from one of the HMOs that also contained an offensive message. "We opened the envelope and were surprised to discover at the bottom of the page the inscription 'Muhammad the homosexual'," he said.

Abu Ghanem reported the incident to the local post office, and was told that an inquiry will be launched into the matter.

Another letter sent to Zuheir Shuhana, a Jaljulya City Council member, bore the caption, "All Muslims are terrorists, Muhammad was gay."

'Handwriting on all letters identical'

Shuhana is convinced that a Postal Company employee was behind the act. "You don't have to be a graphologist to notice that the handwriting (on all the letters) is identical. This amounts to racism and severe incitement, and I expect the postal company to resolve this worrying issue," he stated.

The Israel Postal Company said in response that all mail articles received from large organizations and companies are automatically and mechanically processed and distributed to post offices across Israel.

"No Israel Postal Company employee can touch, alter or open these letters," the company said in a statement.

"The Postal Company's workers are professional, experienced and are aware of the need to deliver mail articles with speed and efficiency. They are prohibited from opening mail articles. The Postal Company's security branch will assist the Israel Police in investigating this matter."

### **3. US Postal Service needs more autonomy - FTC report**

Wed Jan 16, 2008 6:01pm EST

By Ayesha Rascoe

WASHINGTON, Jan 16 (Reuters) - The U.S. Postal Service is hurt more than it is helped by its status as a government entity, the Federal Trade Commission said in a study released on Wednesday.

Federal constraints, such as restrictions on the postal service's ability to manage its labor force and configure its network, increase its costs by an estimated \$330 million to \$782 million a year, the FTC found.

The FTC report recommended that Congress reduce constraints on the postal service, narrow the scope of its monopoly, and make the postal service's competitive products division a separate corporate entity.

The service does enjoy a monopoly on the delivery of items such as personal letters, bills and advertisements.

The postal service also benefits from being exempt from certain state and local requirements such as taxes and licensing, it said. The FTC estimated the value of these implicit subsidies range from \$39 million to \$117 million a year for the postal service's competitive products operations.

Overall, the FTC said the postal service's government- related benefits and restrictions hurt the entire competitive mail industry by distorting the market.

Legal constraints cause the postal service to use more resources to create its products, but the higher costs are partially masked from consumers by the service's legal advantages.

These distortions mean more resources are used to produce the current volume of mail products than is necessary.

The postal service, which handled 212 billion pieces of mail and earned nearly \$75 billion in fiscal 2007, has struggled in recent years because of increased competition from commercial rivals such as FedEx Corp (FDX.N: Quote, Profile, Research) and United Parcel Service Inc (UPS.N: Quote, Profile, Research) and because of the growing use of the Internet. (Reporting by Ayesha Rascoe; Editing by Andre Grenon)

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Wednesday, January 16, 2008

### **4. AT&T unit wins \$20M U.S. Postal Service contract**

San Antonio Business Journal

AT&T Government Solutions, a business unit of AT&T Inc., won a \$20 million task order to provide software verification and validation services for the U.S. Postal Service's automated mail-processing and sorting systems.

AT&T's software engineering teams will test the Postal Service's systems that help process more than 200 billion pieces of mail each year.

Specifically, AT&T will provide software and documentation independent verification and validation, software-configuration management and other related services to the USPS Engineering Software Process Management group.

AT&T Government Solutions is the government contracting arm of San Antonio-based AT&T (NYSE: T). The Vienna, Va.-based unit provides voice, data, video and managed services for government networks.

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## **5. Postal Operator Licence Fees Lowered By Postcomm**

17 January 2008 by David Lynch - © Hellmail.co.uk

Postcomm, the independent regulator for postal services, yesterday announced changes that will simplify procedures for licensing non-universal service operators. (The universal service is the geographically uniform postal service that is provided by Royal Mail.)

In 2007, Postcomm responded to suggestions that its current licensing arrangements did not go far enough in facilitating market entry for some small and medium sized potential mail operators. A consultation was launched on proposals to move to less prescriptive licensing for those seeking to enter the postal services market. Several of these amendments were meant to eliminate unnecessary regulation, thus helping to encourage competition to the benefit of all customers.

The changes described in yesterday's document - Amendment of the 2006 licensing framework - include a reduction in application fees from £1000 to £50, which it is hoped will help encourage small businesses to enter the market, and the removal of the licence requirement on all licensees to have guarantees or contractual arrangements in place to ensure the delivery of mail if an operator fails so that, in future, other operators can respond directly to what the market demands, rather than to regulatory requirements.

Postcomm believes that effective competition can better protect the interests of postal customers than regulation and is aiming to ensure that its licensing rules support the developing competitive market. Nothing being proposed will affect Postcomm's ability to enforce licence conditions or lead to any substantial reduction in protection for mail customers.

These amendments to the current licensing framework will be implemented in early 2008.

**6. ABB Robotics Selected as Pre-Qualified Integrator for the United States Postal Service**

January 16, 2008 9:57 AM EST

AUBURN HILLS, Mich.--(BUSINESS WIRE)--

ABB Robotics has been selected by the United States Postal Service (USPS) as a pre-qualified integrator for general material handling systems, expanding the company's scope of supply beyond robotic containerization systems (RCS), which ABB has been providing to the USPS since 1999.

ABB has provided 167 robotic containerization systems to USPS facilities throughout the U.S. Through the RCS program, ABB has delivered other robot automation and control systems utilizing ABB controls and drives products. The success of this program led ABB to an extensive bidding and qualifying process for general material handling systems.

As a pre-qualified integrator, ABB, along with a select number of other suppliers, has been awarded with an ordering agreement extending for three years, placing ABB on the pre-qualified bid list for general mail handling automation.

"The combination of building the relationship with the Postal Service, the years of experience and the success they've had with the RCS has provided ABB with the opportunity to expand our services to the United States Postal Service," said Jerry Osborn, vice president/general manager, ABB Robot Automation. "Between winning a Postal Service Supplier Excellence Award in 2006 and being named a pre-qualified integrator, ABB is now in a long-term position to be a key supplier to the USPS."

About ABB, Inc.

ABB ([www.abb.com](http://www.abb.com)) is a leader in power and automation technologies that enable utility and industry customers to improve their performance while lowering environmental impact. The ABB Group of companies operates in around 100 countries and employs more than 110,000 people.

About ABB Robotics

ABB is a leading supplier of industrial robots - also providing robot software, peripheral equipment, modular manufacturing cells and service for tasks such as welding, handling, assembly, painting and finishing, picking, packing, palletizing and machine tending. Key markets include automotive, plastics, metal fabrication, foundry, electronics, pharmaceutical and food and beverage industries. A strong solutions focus helps manufacturers improve productivity, product quality and worker safety. ABB has installed more than 150,000 robots worldwide.

Source: ABB Robotics

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January 17, 2008

## **7. Earth Class Mail delivers efficiency and waste reduction**

Filed under: Paper waste

Startup's innovative green approach to sorting and deliver mail stands to revolutionize the postal industry

One fine Monday morning, an 8-by-10 manila envelope arrives at the central mailroom of SquidCo's expansive campus. It's addressed to a sales rep named Jim Johnson. The folks in the mail room toss the envelope into a bin alongside all the other mail for sales. A van transports the bag to the sales team's building across campus. There, another mail person discovers that Jim telecommutes. She packs up all of his mail -- including that manila envelope -- and ships it to him for \$8.50 via overnight delivery. Yet once it reaches Jim, he takes one glance at the return address and realizes it's more hard spam from an annoyingly persistent vendor. Within two seconds, the envelope goes directly into Jim's recycling bin.

Though ridiculously wasteful and inefficient as that scenario might seem, it's certainly not implausible. Every day at organizations large and small, countless pieces of mail get pushed and pulled hither and yon, transported on fuel-guzzling vehicles -- only to end up in the recycling bin or, worse yet, the trash. Important mail, meanwhile, can linger in limbo or move at a sloth's pace because the person sorting it doesn't realize it contains a check for \$5,000.

As fate would have it, a relatively new startup called Earth Class Mail (ECM) has devised a very innovative system for efficiently handling postal and interoffice mail, leveraging the SaaS (software as a service) model, e-mail, OCR (optical character recognition), digital scanning, and old-fashioned hands-on sorting.

I recently had a chance to speak to Ron Wiener, the CEO and founder of the company, and he explained it all to me. Based on his description, I'd say that ECM makes today's traditional approach to handing paper mail look a lot like the Pony Express.

"We're undertaking a massive transformation from the centuries-old physical-delivery model to the electronic delivery model of the modern Internet age, and it's really shaking up this trillion-dollar [postal] industry," says Wiener.

Paper mail without the waste

Here's how Earth Mail works. An organization sets up an account with the company, arranging to have mail delivered to one of the ECM's growing network of 20 U.S. addresses. Just like using a P.O. box, the new address you hand out will still contain

your company's name; there's no indication to the sender that their posts are going to a third party to handle.

If your company's mail volume is large enough, you may be able to continue to have your mail come to the address you use today but authorize Earth Class Mail to pick it up at your postal branch for processing.

As new mail arrives, the outside of each envelope is scanned in color, front and back, and bar-coded with a unique ID number. These numbers are essential: They're used to track a given piece of mail at any time. Using OCR, the system is able to recognize the person or department the piece is addressed to. (Undeliverable mail can be conveniently vetted by a mail room employee remotely through a Web console.)

After the envelope is imaged, an e-mail alert is sent to the recipient -- in this case, the company employee. The e-mail will prompt the user to log in to his or her Earth Class Mail account, accessible anywhere via the Internet, to see what's arrived. Once online, the user can view the scanned images of each envelope. (Later this year, the company plans to offer a plug-ins for various e-mail and Webmail platforms, allowing users to manage their postal mail and e-mail from one UI.)

Upon viewing his scanned envelopes, the recipient has some choices: If he can tell he has no interest in a message, he can click Recycle, which, of course, means Earth Class Mail will recycle the piece of mail. He also can choose Shred if he thinks it's an item he doesn't want but that contains sensitive corporate or personal information: a credit card application, for example.

According to Wiener, 45 percent of all unopened mail ECM receives ends up recycled; another 22 percent of that ends up being shredded. (All in all, the company ends up recycling or shredding an astounding 94 percent of all the mail it processes.) Wiener notes that, environmentally speaking, recycling is superior to shredding in that shredded paper can't be made into new paper. Earth Class Mail is able to still recycle shredded paper, however, by separating it out to sell to tissue manufacturers who can use the short fibers.

But suppose the user, judging by the envelope, sees a piece of mail that may actually be important, and he wants to take a peek at what's inside before determining its fate. Here, the users can choose the powerful Scan option.

#### Scan and deliver

Clicking Scan results in one of Earth Class Mail's employees being prompted to open the piece of mail and scanning its contents into the system. Once it's scanned, the recipient can view the file in its entirety from his account as a digital PDF file.

Now, the thought of having a third-party company's employee opening up your potentially sensitive mail might cause those hairs on the back of your neck to stand at attention. But according to the company's CEO, Earth Class Mail has developed a pretty hard-core security system (my words, not his).

"Over the past four years, we've developed this process and the underlying proprietary technology in consultation with fraud experts and law enforcement, including FBI cybercrime experts and USPS postal inspectors," says Wiener

Among its security practices, the company employs only individuals with previous Department of Defense security clearances to open customers' mail. These clearances are refreshed every six months with civilian equivalents, and with even deeper background checks.

Wiener specifically noted that the company employs disabled veterans for the task whenever possible, many recently returning from the wars in Iraq and Afghanistan.

He says workers, donning pocketless overalls, enter individual "clean rooms" carrying no personal items (such as pencils, mobile devices, cameras, trained monkeys). There they sit through their shift, devoid of any human contact. Mail that has been requested to be scanned is delivered to them automatically. They will take an envelope, scan the bar code, open it, remove and scan the contents, then place the contents in a new envelope with a new bar code, seal it up, and scan the bar code again for verification before the item is sent back to itinerant inventory. Rinse and repeat.

ECM goes so far as to record the video of each scanning session, says Wiener. The company soon plans to turn this security video around to the customer so that each user may see firsthand that a piece of mail was not mishandled or compromised in any way while it was open.

Back up that mail

So then: Once the scanning is complete and the digital file is in the system, the recipient can again log in to his account to see just what was in that envelope. And once again, he has choices. In addition to having the mail recycled or shredded, he can choose Transfer, meaning he would transfer ownership of the envelope and document to someone else to deal with. Carlos in Sales might, perhaps, transfer an applicant's resume to Diane in HR.

The recipient could print the document, too, and have Earth Class Mail store the digital copy indefinitely -- as well as the original hard copy, à la Iron Mountain.

"We're completely unique in the records management industry in that every document we receive first arrives in an envelope, which we uniquely bar code, and then stays stored that way. Everyone else in the industry still does it the old-fashioned way, storing up to 2,000 pages in multiple folders in a cardboard box -- not only more prone to losing a specific document but much, much more expensive to store and retrieve," says Wiener.

Or, if a physical original is needed for any reason, the recipient could click the Ship button and have that piece of mail delivered the traditional way to anywhere in the world.

The aforementioned process can be further streamlined, thanks to the Earth Class Mail application's smart rules engine. A customer could set up the system to take specific actions for mail coming in specific types of envelopes or posts addressed to

specific people. For example, if your company has a specific type of postage-paid envelope that customers use to mail in payments or orders, you could have the system send them directly to Scan or immediately forwarded to a specific recipient.

Companies that don't want to entirely entrust their postal mail to Earth Class Mail's custody, for whatever reason, can opt to use the Earth Class application through the SaaS model. The company would help these customers purchase the custom equipment it has exclusively licensed to mail sorter manufacturer NPI and off-the-shelf scanning equipment, then leave the back-end processes to them.

Earth Class Mail is adding new features to the system this year to further streamline the process. First, the system will allow users to automatically deposit scanned checks into bank accounts, saving trips to ATMs or bank tellers. Bank of America will be among the first institutions to support this feature. Second, users receiving unwanted catalogs or similar missives from retailers will be able to click a button, alerting Earth Class Mail to get that mailing address removed from the company's mailing list.

#### Stamps of approval

As a privately held company, Earth Class Mail will not disclose the number of customers, other than to say it's "in the thousands and scaling rapidly." Wiener states that Earth Class Mail has users in more than 130 countries, including individuals, SMBs, and Fortune 500 organizations.

Further, it has wrapped up a phase-one pilot run with an undisclosed Fortune 500 company and is progressing to a phase-two implementation at this client's corporate headquarters. If all continues to go well, a rollout to tens of thousands of additional employees nationwide will be the next step.

Once any kinks are ironed out, the company will make its services widely available to all would-be enterprise customers. "Fortune 500 and government customers are lining up for pilot implementations. We're adding resources to get them online as quickly as we can, but we're taking it slow because we want to make sure these first implementations go very smoothly," says Wiener.

Wiener has ambitious plans for Earth Class Mail: "We're already in discussions with the national post offices of 18 countries to deploy our platform for use by every citizen and enterprise within their borders," he says. "We're getting a lot of attention from the more progressive postal operators right now -- especially in Europe, where they have all been privatized -- and particularly since we announced our partnership with Microsoft, which allows us to scale the platform to millions of simultaneous users."

Needless to say at this point, I'm bullish about Earth Class Mail -- and judging by the VC funding the company's enjoying, I'm not the only one. Earlier this month, ECM landed \$13.3 million of investment, led by Ignition Partners. The value proposition is evident: Customers, from the individual on up to the enterprise-size, can enjoy a level of paper-mail efficiency like never before, resulting in less wasted time, easier-to-access documents, and fewer wasted resources. That's sustainability at its finest.

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