

POSTAL NEWS

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1. United States Postal Service (USPS):Rate Increase Effective May 12, 2008

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Please be advised of the following announcement from Penn Mail Services.

The United States Postal Service (USPS) has announced that it will adjust prices for the following mailing services as of May 12, 2008:

First-Class Mail, Standard Mail, Periodicals, Package Services, and Special Services as well as shipping services.

While the charge for the first ounce of a first-class letter will rise to \$0.42, the price of each additional ounce will remain at \$0.17; therefore, the postage for a two-ounce letter will increase by one penny to \$0.59.

Some highlights of the upcoming increase include:

- No change in the First-Class Mail single-piece additional-ounce price.
- Lower additional-ounce price for presorted First-Class Mail letters.
- Lower pound price for Standard Mail saturation and high-density flats.
- Shape-based pricing for First-Class Mail International letters, flats and parcels.
- First-Class Mail International price groups expand from five to nine groups.

Summary of Select New Rates

Mail Type	New Rate
First-Class Mail letter (1 oz.)	\$0.42

First-Class Mail letter (2 oz.)	\$0.59
Postcard	\$0.27
First-Class Mail large envelope (2 oz.)	\$1.00
Certified Mail	\$2.70
First-Class Mail International to Canada and Mexico (1 oz.)	\$0.72
First-Class Mail International to all other countries (1 oz.)	\$0.94

Shipping Services

The USPS will adjust prices for shipping services—Express Mail, Priority Mail, Parcel Select, Parcel Return Service, and International Mail. For the first time pricing includes commercial volume and contract prices, rebates, online price reductions, and other new incentives.

Pricing Highlights:

Express Mail is switching to a zone-based pricing system, resulting in customers paying less for nearby destinations. Customers will receive a 3 percent price reduction by purchasing Express Mail online or through corporate accounts. Additional price reductions are available for those who ship quarterly minimums.

Priority Mail will have an average 3.5 percent savings for customers who use electronic postage or meet other requirements.

Parcel Select—the “last mile” delivery to every door—will feature pricing and volume incentives for large- and medium-size shippers.

Parcel Return Service will move entirely to a weight based pricing system, resulting in significant price reductions for many lighter packages.

As a result of the Postal Accountability and Enhancement Act that was signed into law on December 20, 2006, the USPS is allowed to increase rates with 45 days notice, as long as increases fall within the rate of inflation for the previous 12 months. Consistent with the Act, the USPS plans to adjust prices for mailing services each May. The USPS plans to provide 90 days’ notice of its new prices each year in order to help mailers prepare for the change. The Postal Regulatory Commission calculated the rate of inflation at 2.9 percent through January, limiting the first-class rate to an increase of just over a penny. As a result, the average increase per category does not exceed the Consumer Price Index. First-Class mail will increase by 2.88%, Standard Mail by 2.87%, Periodicals by 2.71%, Package Services by 2.87% and Special Services by 2.84%.

The new detailed rate charts are available on the USPS website, www.usps.gov.

2. Efforts to Block Junk Mail Slowed

Postal Service Argues Against Registries to State Lawmakers

By Lyndsey Layton

Washington Post Staff Writer

Wednesday, March 19, 2008; Page A13

Chris Pearson, a state legislator in Vermont, had a sense that the people were with him when he proposed a bill last November to allow residents to block junk mail.

He got media attention, radio interview requests and e-mails from constituents eager to stop the credit card offers, furniture catalogues and store fliers that increasingly clog their mailboxes.

Then came the pushback from the postmasters, who told Pearson and other lawmakers that "standard" mail, the post office's name for junk mail, has become the lifeblood of the U.S. Postal Service and that jobs depend on it.

"The post office and the business groups are pretty well-organized," said Pearson, whose bill remains in a committee and has not been scheduled for a vote.

Barred by law from lobbying, the Postal Service is nonetheless trying to make its case before a growing number of state legislatures that are weighing bills to create Do Not Mail registries, which are similar to the popular National Do Not Call Registry.

The agency has printed 3,000 "information packets" about the economic value of standard mail, with specific data for each of the 18 states that have considered a Do Not Mail Registry. It has dispatched postmasters to testify before legislative committees around the country.

"The Postal Service has come in and clobbered legislators," said Todd Paglia, executive director of ForestEthics, an environmental group that has collected 289,000 signatures on an online petition to Congress that calls for a National Do Not Mail Registry. "It's really a people-versus-special interest kind of battle."

The Postal Service is working closely with the Direct Marketing Association, the trade group that represents retailers and the printing industry, in its new campaign -- Mail Moves America -- which is designed to quash the Do Not Mail initiatives.

So far, their efforts appear effective. None of the states where Do Not Mail legislation has been introduced since 2007 has approved a law. And no similar legislation is pending in Congress.

Sean Sheehan of the Center for a New American Dream, a progressive group based in Takoma Park, said state efforts may precede national action, just as they did with the Do Not Call Registry.

"Federal legislators are more sensitive to the heavy lobbying of the paper industry, as well as the impact on the postal service, whereas a lot of state legislators are really

more in tune with local needs," Sheehan said. "It's local governments that have to pay millions to truck that trash out to landfills."

So far in the 2008 campaign cycle, the Direct Marketing Association has made \$141,877 in contributions to federal candidates, including \$6,610 to Sen. Thomas R. Carper (D-Del.), who chairs the subcommittee that oversees the Postal Service and does not face reelection until 2012.

Perhaps surprisingly, environmental groups -- whose members say they are concerned about junk mail -- are cool to the idea of a registry that prohibits marketers from sending mail to those enrolled and that fines violators.

One reason may be that most environmental groups are themselves junk mailers. They use standard mail for their solicitation letters.

A national registry "would affect anybody who mails," said Laura Hickey, senior director of global warming education at the National Wildlife Foundation, which belongs to the Direct Marketing Association. "I don't think it would be any different whether you were for-profit or nonprofit." As an alternative, the National Wildlife Foundation, the Natural Resources Defense Council and other groups have created Catalogue Choice, a program that asks retailers to voluntarily stop sending catalogues to anyone who signs up for the free online service at <http://www.catalogchoice.org>.

"If people participate in a voluntary system, then I don't see the need for a legislative strategy," Hickey said. When Catalogue Choice was launched in October, the foundation expected about 150,000 people to sign up in the first year. Six months into the project, more than 642,000 people have joined. "It obviously filled a void," Hickey said.

Still, it is unclear how many marketers are voluntarily heeding requests to stop mailing.

The Direct Marketing Association operates its own registry (<http://www.dmchoice.org>) and in an e-mail sent last November, instructed its members to ignore Catalogue Choice.

Postal officials say they are aware of the environmental concerns related to junk mail. In testimony on Capitol Hill last week, Postmaster General John E. Potter told lawmakers that the Postal Service has one answer: Recycling bins positioned beneath personal mailboxes at post offices, to catch junk mail as it tumbles out.

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March 18, 2008 08:00 AM Eastern Daylight Time

3. USPS Contract Postal Units Now Running Escher Group's Point-of-Sale Software

-- Escher's RiposteEssential™ software and data center managed services support historic rollout --

CAMBRIDGE, Mass.--(BUSINESS WIRE)--Escher Group, Ltd., the leading provider of counter automation and business applications to the postal industry, today announced that 1,027 Contract Postal Units running RiposteEssential™ are now "live" in the United States.

The USPS Contract Postal Units (CPU) offer additional access to postal services in areas that may not have a physical post office branch. The CPUs currently offer mailing services and stamp sales at more than 900 sites throughout the United States.

Escher Group's software and managed services were selected in January 2007 to automate the USPS CPUs as part of a consortium led by Innovations Group, Inc (IGI) of Fairfax, VA. Other partners in the consortium include Hewlett-Packard (hardware), Pitney-Bowes (postage meter and implementation services), and CODEplus (quality assurance).

The new system, known as CARS (Contract Access Retail System), went to pilot in October 2007 and national rollout began on January 8, 2008. More than 900 stores were converted within 15 days. Typically, a CPU was converted to the new system, employees were trained and the store was open for business and serving customers that same day - a testament to RiposteEssential's ease of use and reliability.

"Working with Innovations Group, the other partners, and in partnership with the USPS, has been a rewarding experience. This team has completed a truly historic rollout and we are proud to have been a part of the success." said Liam Church, president of Escher Group, Ltd.

In addition to the RiposteEssential retail application, and a full stock management suite, Escher Group is providing managed services - operating a data center and communications network for the complete CPU retail network.

Omar Dajani, president of Innovations Group, Inc., commented that "Escher Group's software and services were key to this project's success, along with the company's dedicated team of professionals who were with us every step of the way."

The USPS joins Escher's customer base of 28 postal authorities, including the United Kingdom, Ireland, Norway, Austria, Germany, Portugal, and many others that have implemented the Riposte® family of products to support a full range of services from postal transactions to retail sales, bill payments, banking and government services.

About Escher Group, Limited

Escher Group Limited is a leading provider of distributed transaction processing and data management solutions and services. The company offers a business-to-business XML-based transaction management environment, used in thousands of locations worldwide. Since its introduction in 1993, Riposte®, Escher's flagship messaging solution, has grown to become the market leader in post office counter automation.

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Collected by Chairul Anwar, Bandung, Indonesia.

E-mail address : chairulanwar49@operamail.com, uyungchairul@plasa.com.