

POSTAL NEWS

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1. Sea and Postal Links With Georgia Restored

Bloomberg

TBILISI, Georgia -- Russia is set to lift a 1 1/2 year ban on shipping and postal links with Georgia after direct flights between the two countries resumed Tuesday.

A first Russian passenger ship, the Mikhail Svetlov, will make the 12- to 14-hour trip from Sochi to the Georgian port of Batumi as soon as weather permits, Nugzar Katamadze, a spokesman for the Batumi port authority, said Thursday. The ship was to have departed this evening.

"This is a very positive step," said Irakli Taktakishvili, head of Georgia's Transport Administration. "People can once more get on a boat and travel affordably to Russia instead of having to go through a third country."

Russia cut road, rail, air and sea links with Georgia, halted postal service and blocked money transfers in October 2006. The dispute erupted when Georgia arrested four Russian servicemen a month earlier, accusing them of spying.

Postal service between Russia and Georgia will be restored in "two or three weeks," Interfax reported Wednesday, citing Russian Post chief Andrei Kazmin.

Georgian Post received notification from Russia of "a proposed resumption of postal links in the immediate future," general director Davit Khutsishvili said.

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2. French postal service La Poste reports billion-euro net profit

2 days ago

PARIS (AFP) — The French state-run postal service, La Poste, reported on Thursday a net profit of nearly a billion euros (1.5 billion dollars) and said it would pay a profit-sharing bonus to its employees for the first time.

The company is also to pay 141 million euros, about 15 percent of its net profit, as a dividend to the state.

Net profit totalled 943 million euros, operating profit reached 1.285 billion euros and sales were 20.8 billion euros, the company said.

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3. U.K. Postal Regulator Criticizes Royal Mail, Times Reports

By Kari Lundgren

March 28 (Bloomberg) -- U.K. postal regulator Postcomm criticized the U.K. postal service, Royal Mail Group Plc, accusing it of being inefficient, failing to invest properly and not developing new products, the London-based Times reported.

Postcomm Chairman Nigel Stapleton said Royal Mail is experiencing the effects of increased use of e-mail, text- messaging and the Internet, the Times said. Stapleton spoke of the benefits of competition, such as lower prices and greater innovation, the newspaper said.

Royal Mail said the criticisms didn't take into account the postal group's obligations to provide flat-rate services for domestic customers everywhere in the country, the Times said.

Adam Crozier, the postal group's chief executive, said Royal Mail has improved efficiency by eliminating 1.5 billion pounds (\$3 billion) in costs and reducing the workforce by 50,000, the newspaper said.

To contact the reporter on this story: Kari Lundgren in London at klundgren2@bloomberg.net

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4. Postal Service Can't Account for Millions, Audits Say (Update2)

By Neil Roland

March 26 (Bloomberg) -- The U.S. Postal Service can't account for at least \$33.4 million in facilities-repair and vehicle expenses last year because of weak controls and lax oversight, two reports from the agency's inspector general's office said.

The Postal Service couldn't assure that any of the \$27.6 million in maintenance and repair expenses at facilities examined by auditors were used for that purpose, according to one of the reports posted on the agency's Web site.

Some supervisors weren't aware that they were responsible for overseeing expenses, that audit found. Other employees with limited knowledge of the repairs certified that they were properly done by contractors.

Without standard procedures, "the safety, security and serviceability of Postal Service facilities, employees and customers are at increased risk," the March 3 report said. And without established controls over contractors, "there is an increased risk of fraud and abuse," it said.

The audit covered facilities in all or part of 33 states, including Texas, Pennsylvania and Ohio, Postal Service spokesman David Partenheimer said.

Another audit found that postal vehicles on some city routes in 15 states had more than \$5.8 million in questionable costs. Some vehicles were logged in as having traveled millions of miles in a single accounting period, while others were recorded as having gone a negative number of miles, the March 4 report said.

Loss

The findings come as the Postal Service, a government agency required by law to set rates to cover costs, tries to cope with a possible \$2 billion loss this year after a \$5.1 billion deficit last year. Postmaster General Chief Executive John Potter said this month that he's seeking ways to cut costs. First-class stamps will rise a penny to 42 cents on May 12.

The Postal Service created a new position for a facilities executive who is to develop and implement best repair practices by September 2009, one report said. He is to issue instructions for monitoring finance reports by May 2. With regard to vehicles on city routes, the agency will print instructions on how to record mileage by March 2009, the other report said.

"For both these reports we refer you to management's comments, which remains our response," Partenheimer said in an e-mail today.

Other audits released in the past month have identified potential savings. One reported that Postal Service facilities in four states incurred \$17.8 million in unnecessary costs by using FedEx Corp. aircraft to ship mail.

Another found that the agency undercharged China, India and other countries by millions of dollars because of errors in processing mail at John F. Kennedy International Airport in New York.

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5. Dimna, Dalma on postal cover

- Stamp on Madhubala hit with visitors

OUR CORRESPONDENT

Special cover released by the postal department during Jampex. Picture by Bhola Prasad

Jamshedpur, March 26: Dimna lake and Dalma sanctuary have found a place on postal covers.

Postal department of Jharkhand circle released a special cover on Dimna lake and Dalma sanctuary during Jampex, an annual district-level philately exhibition at the general post office (GPO) in Bistupur today.

“These are definitely the city’s landmarks but some 50 years down the line they might not remain as picturesque as they are now. The next generation would probably forget the history of these landmarks. To inculcate the knowledge of the city’s heritage among the next generation, these postal covers have been launched,” said Anil Kumar, the director of postal service, Jharkhand circle.

This is the first time that steel city hotspots have made it to the postal covers.

The special covers contain pictures of the two tourist hotspots. On the back of the cover, there is a written text and a brief description about the two landmarks.

“Dimna lake is a great source of water supply and the most attractive tourist spot. It must be conserved. Dalma wildlife sanctuary has forest wealth. Hence, by releasing the special cover, the postal department wants to spread awareness among people to protect these landmarks,” added Kumar.

A cancellation stamp was also issued today, comprising pictures of elephants and other animals found in Dalma wildlife sanctuary. The postal department presented a cover stamp and a brochure on Bollywood actress Madhubala. The cover was formally released in Mumbai on March 18.

On sale on the first day of the release, the special covers were a hit with students and other visitors. The officials at the GPO said over 500 covers were sold today, on the

first day of the release. Each article — comprising brochures, special cover and stamps — was available for Rs 2.

Moreover, apart from the display of articles at the exhibition, there was also a separate section, where city-based philatelists showcased their collection.

The section comprised rare philatelic collections from 118 countries.

Students from city schools also participated in the quiz conducted by the postal department.

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6. The deregulation of the UK postal market has significantly boosted the UK economy

ONEPOST underlines the importance of the Government review of the postal services sector

As the Department for Business, Enterprise & Regulatory Reform (DBERR) closing date approaches for its call for evidence from postal users, ONEPOST's Managing Director, Graham Cooper warns of the importance of the review and the benefits of a liberalised market place.

It has been seven years since the Government set out its vision for postal services in the UK in the July 1999 White Paper on Post Office Reform: A World Class Services for the 21st Century and took this forward in the Postal Services Act 2000. In the last seven years there have been some significant developments, including full liberalisation on the 1st January 2006, and Government believes that now is the right time to conduct a review of the postal market and assess the impact it has had and identify future trends.

ONEPOST, the UK's leading provider of independent postal advice and management, was formed in 2005, born out of the deregulation of the market and today has an annual turnover of £12million and employs over 30 staff.

Graham Cooper, Managing Director of ONEPOST, comments "This is the most important review in relation to the postal service and the direct marketing industry. The deregulation of the UK postal market has significantly boosted the UK economy, latest reports show £229m and more than 3,300 jobs. I am certain that for our industry to continue onwards and upwards it is vital that the work of our industry regulator Postcomm continues to encourage competition. They have already announced changes this year to make market entry more accessible for small and medium sized potential mail operators with a simplified licensing framework.

Despite improved performance levels evident following liberalisation, Royal Mail and the Communication Workers Union (CWU) are not so supportive of encouraging further competition in the UK postal market. It should be remembered that Royal Mail deliver the 'final mile' of 99.8% of mail and it is largely the distribution and logistics part of the operation currently undertaken by new entrants. Competition is clearly not

yet full, and in turn, Royal Mail does enjoy a price advantage of not having to charge value added tax – unlike its competitors

We look forward to the results of the review and hope that the recommendations will continue to help the industry and benefit the customers through choice, price and quality of service.”

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7. Postal Service Moves to Improve Address Quality for Mailing Industry

New Data File to Identify "Vacant" Addresses

WASHINGTON, March 26 /PRNewswire-USNewswire/ -- Every accurate address enables the U.S. Postal Service to provide more efficient mail processing and helps mailers avoid wasted expense. In 2004, more than 9.7 billion pieces of mail were sent to undeliverable addresses of which over 600 million pieces were sent to "vacant" addresses -- a house, apartment, office, or building not occupied for at least 90 days. To reduce that unwanted mail, the Postal Service has developed a new data table that is used with address matching software which helps mailers determine when they may be sending to vacant addresses.

The new "no-stat" and "vacant" tables are available through Coding Accuracy Support System address matching software (CASS Certified(TM)) as part of the Delivery Point Validation (DPV(TM)) product. The tables are simple to use and can help mailers save on production and postage costs by reducing undeliverable-as-addressed (UAA) mail. If an address is flagged as vacant, the recommended course of action is to remove that address from the mailing until it becomes occupied again.

By utilizing CASS Certified(TM) software, mailers can standardize addresses and obtain the correct ZIP + 4(R) assignments and associated delivery point codes (DPC). CASS Certified(TM) software using DPV(TM) logic can determine if the ZIP + 4(R) coded address is recognized as a valid delivery within the USPS delivery network, further strengthening the quality and deliverability of address lists. Additionally, CASS Certified(TM) software is necessary for mailers claiming presorted, carrier route, and automation rates. The use of this software is the first step in effectively managing overall mailing costs and obtaining eligibility for postage incentives.

To learn more, mailers can contact their DPV(TM) product vendor to learn whether these new tables are incorporated in their products. If mailers are using a service bureau to process address lists, ask that provider to use these tables during processing. The release of the "no-stat" and "vacant" tables is another example of the Postal

Service's ongoing commitment to address quality and helping the mailing industry make effective and efficient use of the mail.

An independent federal agency, the U.S. Postal Service is the only delivery service that visits every address in the nation - 146 million homes and businesses. It has 37,000 retail locations and relies on the sale of postage, products and services to pay for operating expenses, not tax dollars. The Postal Service has annual revenues of \$75 billion and delivers nearly half the world's mail.

Website: <http://www.usps.com/>

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