

POSTAL NEWS

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1. What will Canada Post look like after Mount Allison's president reviews it?

Published Monday April 28th, 2008

OTTAWA - Like a veteran weather forecaster suddenly allowed to seed the clouds, Mount Allison University president Robert Campbell now has his chance to change what he has hitherto only studied.

Dr. Robert Campbell

It's as much a part of Canadian life as the weather, too: the post office.

For 20 years, Campbell - a political scientist in charge of the Sackville institution since 2006 - has analyzed postal systems as they remade themselves in a world of e-mail and fierce competition from couriers.

For his 2002 book *The Politics of Postal Transformation*, he travelled the world to learn from postal, government, union and regulatory officials in 10 countries from Finland to New Zealand.

"I'm told he's one of the top five people in the world who know postal systems," said the new head of the Canadian Union of Postal Workers, Denis Lemelin.

The non-partisan Campbell has also advised postal unions, multinational corporations and governments.

They all "think of me as a reasonably objective guy who's built up a lot of knowledge and doesn't have a particular ideological axe to grind," he said.

Lawrence Cannon, the minister responsible for Canada Post, certainly trusts Campbell.

On April 21, he appointed him to head a three-person independent advisory panel that will review the country's postal service and report publicly by December.

Now that Campbell gets to apply his knowledge, the question is how drastic his prescription for Canada Post will be.

Cannon allayed some fears at the outset by dictating that privatization is not an option. Canada Post will stay under federal ownership and must maintain an affordable universal service to the public.

It must also make money, just as it does today. So if those key fundamentals aren't going to change, what else might?

Something has to. Canada Post itself has said it is "at a crossroads," with costs of the rural service rising faster than inflation and putting pressure on its finances, for one thing.

There are other problems, too.

For example, Canada Post CEO Moya Greene has described some of Canada Post's antiquated computers as "state of the ark" and obsolete multi-storey main sorting stations still occupy the downtowns of major cities, close to yesteryear's railway stations - a colossal waste of prime real estate.

Keenly aware of the obstacles to efficiency, don't look to Campbell to be a stand-pat defender of the status quo.

The Canada Post of the future "is going to face more challenges to be successful," he said.

Six years ago, in a policy journal, he recommended sweeping changes.

One core recommendation, if echoed by the Campbell panel and then embraced by the Conservatives, would provoke bitter opposition from the powerful union.

Campbell wrote that the government should gradually remove Canada Post's "exclusive privilege."

Canada Post has a monopoly to carry letter mail cheaply. By law, competitors have to charge at least three times Canada Post's rate for a 500-gram letter.

This is intended to protect the profits the post office needs to be able to fulfill its government-dictated mandate to serve unprofitable sectors, such as rural Canada.

Right-of-centre think-tanks that favour privatization, such as the C.D. Howe Institute, see the exclusive privilege as a crutch that robs postal managers of any real incentive to improve.

Campbell, too, has written that governments ordering other postal services to do away with their monopoly have forced them to improve productivity and efficiency.

The union counters that "the exclusive privilege is what allows us to extend services to every door," as Lemelin put it.

Even as Canadians write hundreds of e-mails for every personal letter or card they post, the importance of the letter monopoly should not be underestimated.

All the bills and bank statements Canada's 14 million addresses get fall under the monopoly, too. This "transaction mail" generates more than half of Canada Post's revenue.

Yet the cash cow is becoming leaner. Getting and paying bills electronically began to eat away at it last year. Volume dropped for the first time (if only by one per cent).

Campbell has written that the government of Canada has never fully resolved the fundamental conundrum Canada Post faces: They're told to be successful like a business, but prevented from fully behaving like a business.

In other countries - notably in Europe - governments articulated clear public service goals and precise commercial/financial targets, then freed up their postal services to meet them.

A few years ago, "Top 10" recommendations to improve postal performance and Canada Post's accountability included less contentious ideas, such as strengthening the board of directors and adopting more transparent reporting to the public.

As for Campbell's fresh mandate, it asks him to look at all of Canada Post's operations.

"We are to be forward-looking and creative and imaginative in what we recommend, but of course, once we present our report, it's up to (the minister) what he does with our recommendations," said Campbell.

Said Lemelin: "Maybe there's a vision around deregulation and opening the market. But I think there's another vision about the future of the post office - to maintain the exclusive privilege and service in rural areas and good jobs. The union will fight for that vision.

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April 28, 2008 - 7:16 PM

2. Global food crisis dominates talks in Bern

The United Nations Secretary-General, Ban Ki-moon, has been looking at ways to solve the current food crisis in talks with 27 UN organisations in Bern.

He held talks behind closed doors on Monday with the UN Chief Executives Board, which brings together the heads of the UN funds, programmes and specialised agencies.

He also held discussions on the food problem, development issues and climate change with this year's Swiss president, Interior Minister Pascal Couchepin, and the Swiss foreign minister, Micheline Calmy-Rey.

Earlier in the day Ban stressed the importance of postal services in the world's development efforts as he marked the 60th anniversary of the Universal Postal Union as a UN specialised agency.

He said postal services were particularly important at a time when hundreds of millions of people had relocated from their country of origin and were anxious to share news and resources with their relatives.

Ban is due to give a news conference on Tuesday on the results of his meetings in the Swiss capital.

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Thomson Financial News

3. Finnish-State-owned postal firm Itella buys Russia's NCL for 300 mln eur
04.28.08, 9:24 AM ET

HELSINKI (Thomson Financial) - Post and logistics state-owned firm Itella said it will buy Russia's warehousing service provider National Logistic Company (NLC) in a deal worth around 300 million euros.

Itella spokesman told Thomson Financial News that Itella will pay 200 million euros and take on a debt of around 100 million euros.

NLC's sales is expected to reach 180 million euros this year.

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4. Postal worker leads annual food drive

Through rain, sleet and snow, Chris Brown not only delivers your mail, but delivers care and compassion for the needy by leading the local arm of the National Letter Carriers Food Drive.

This year's drive will be May 10 and will mark Brown's 15th year working on the event.

Brown, like many of her colleagues, sees the needs of local residents firsthand.

"We see lots of things people don't notice when we are out in the neighborhoods or when residents come to our post office for service. People are going through tough times," said Brown, who has been a Port Huron resident since 1976 and has worked at the Port Huron Post Office since 1983.

Growing up, Brown experienced tough situations in her life.

"It's great to have a place where people can go to get help without feeling ashamed. With a simple need like food, no one should be turned down," Brown said. "I'm the oldest of eight kids, and when my dad was out of work, there were not many places to get help. If you didn't have family or friends to rely on, you would do without."

Throughout the years, Brown's co-workers have started to associate her with the food drive.

"This program has taken a life of its own," she said. "I don't mind people relating me to this drive, and it's great working along with my co-workers who rise to the occasion and help meet the need."

Last year, more than 60,000 pounds of food was collected from local communities during the one-day drive. In the last 14 years, 581,901 pounds of food has been collected.

"We are fortunate to have the local post office offer their support by allowing us to do this on the clock," said Brown, who estimates more than 100 members of the NALC Local 529 are involved in the drive.

Although the food drive is a one-day effort, there is a lot of time and preparation involved. Getting the word out is critical because many people don't realize how simple it can be to donate.

Letter carriers pick up food left by people's mailboxes. Preferably, the food should be nonperishable dry goods in unbreakable packaging or bags.

The Blue Water Community Food Depot and Mid City Nutrition, both in Port Huron, are the primary recipients of the food because their facilities have the capacity to handle the donated items.

"United Way and the Labor Liaison have been very supportive, providing the resources and volunteers, which we depend on more each year," Brown said.

Please remember to put out a bag or two for our needy on Saturday, May 10!

5. Time to stock up on Forever stamps

By RANDOLPH E. SCHMID – 2 days ago

WASHINGTON (AP) — With a postal rate increase just two weeks away, Americans are buying 30 million Forever stamps a day.

The cost of sending a first-class letter will rise a penny to 42 cents on May 12, but the Forever stamps — currently selling for 41 cents — will remain valid for full postage after the increase.

Forever stamps were introduced last year and since then more than six billion have been sold, with interest growing as the rate increase nears.

"We knew the Forever stamp would be a big hit with our customers and we continue to replenish our stock to meet demand," said Postal Service Consumer Advocate Delores Killete. "We introduced these stamps as a customer convenience to ease the transition during price changes."

The post office sold \$267,696,023 in Forever stamps in March, up from \$207,900,132 in February and \$115,303,031 in January.

Unlike the Forever stamps, other 41-cent stamps will require additional postage when the new rates take effect, and postal officials said they printed an additional 1.5 billion 1-cent stamps in anticipation of the demand.

Also, for the first time the Postal Service has stamps available at the new rate before the change takes effect.

A set of five 42-cent stamps honoring pioneering journalists went on sale last week, as did a set of four stamps featuring the American flag flying at different times of day.

But don't wait forever, because starting May 12 the cost of Forever stamps goes up to 42 cents too.

And even as the higher rates near, the post office is seeing higher gasoline prices eat away at its budget. It has been estimated that each penny increase in the price of gas costs the post office \$8 million a year.

Postage rates last went up in May 2007, with a first-class stamp jumping 2 cents to the current 41-cent rate.

The first-class postal rate is the one that most people notice, but other prices will also rise.

In the past, raising postage rates was a complex process involving hearings before the independent Postal Regulatory Commission, a process that could take nearly a year.

But under the new law regulating the post office that took effect in late 2006, the agency can increase rates with 45-days notice as long as changes are within the rate of

inflation for the previous 12 months. The Postal Regulatory Commission calculated that at 2.9 percent through January. That limited the first-class rate to an increase of just over a penny.

Under the new law, postal prices will be adjusted each May, the Postal Service said. Officials said they plan to give 90 days notice of future changes, twice what is required by law.

While the charge for the first ounce of a first-class letter rises to 42 cents, the price of each added ounce will remain 17 cents, so a two-ounce letter will go up a penny to 59 cents.

The cost to mail a post card will also go up a penny, to 27 cents.

Other increases set for May 12:

- _ Large envelope, 2 ounces, \$1, up 3 cents.
- _ Money Orders up to \$500, \$1.05, unchanged.
- _ Certified mail, \$2.70, up 5 cents.
- _ First-class international letter to Canada or Mexico, 72 cents, up 3 cents.
- _ First-class international letter to other countries, 94 cents, up 4 cents.

On the Net:

U.S. Postal Service: <http://www.usps.com>

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