

# POSTAL NEWS

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## 1. Price hike to factor in Postal Service revenue

By MAX SHOWALTER • mshowalter@journalandcourier.com • May 3, 2008  
First-class mail generated \$38 billion in revenue for the U.S. Postal Service last year. An increase in the use of online mailing opportunities and the May 12 hike in the price of a first-class postage stamp -- from 41 cents to 42 cents -- are two factors that will play major roles in determining whether that revenue figure goes up or down this year.

"The Internet and things like that are impacting the mail system," said Roy McGuffey, a USPS mailing standards specialist who helped conduct a Postage Price Change Seminar in Lafayette Friday.

McGuffey said the use of bulk mail, when possible, might save money for businesses and organizations that do a lot of mailing.

"We have software that does all the work. It's pretty complicated," said Leo Farrell, owner of The National Group, a Lafayette printing company that also offers mailing services to its customers.

Farrell was among approximately 30 people who attended the first of two seminar sessions sponsored by the Lafayette Postal Customer Council at the Best Western Lafayette Executive Plaza & Conference Center.

USPS mailing standards specialist Barbara Williams said changes in first-class mail and other services offered at the post office could start coming annually.

"We plan to adjust pricing each May," Williams said. "We're encouraging (large) mailers to automate their mail. It requires a bar code but it can save money."

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## **2. China moves to regulate fee charges of telecom, postal services**

www.chinaview.cn 2008-05-04 13:53:52

BEIJING, May 4 (Xinhua) -- China's National Development and Reform Commission (NDRC) has launched a nationwide campaign to reduce illegal telecommunications and postal fee charges.

A nationwide survey, which would last until August 30, would cover fee charges of all business or agents engaged in basic telecommunications services, value-added services and postal services since January 1, 2007, the NDRC said in a statement.

Inspectors would look for improprieties, such as illegal pricing and excessive fee charges, it said.

Some content service providers in China have been found to overcharge their customers, said the commission.

The NDRC lowered the country's mobile roaming service charges from March 1 under consumer pressure to entirely abolish them.

Editor: Du Guodong

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## **3. FTC Report: U.S. Postal Service Needs More Freedom and Less Protection**

Written By: Steve Stanek

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Publisher: The Heartland Institute

The U.S. Postal Service (USPS) enjoys subsidies that distort the private package delivery market and suffers legal restrictions that hinder its performance, according to

a Federal Trade Commission (FTC) report that concludes USPS should lose the subsidies and the restrictions.

"Accounting for Laws that Apply Differently to the United States Postal Service and its Private Competitors," which FTC issued early this year, is now under review by the Postal Regulatory Commission (PRC). PRC has a year-end deadline to issue recommendations regarding USPS operations. The FTC report likely will play a big part in those recommendations, said James Cooper, director of policy planning at FTC.

"The PRC has standards the Post Office must follow when it sets prices," Cooper said. "Our report feeds into that process by identifying implicit subsidies the Post Office may enjoy. It's up to the PRC how they handle the information."

FTC analysts noted USPS subsidies include exemptions from certain state and local taxes and licensing requirements for its competitive products operations. These subsidies are worth between \$39 million and \$117 million a year, according to FTC.

#### Market Distortions

Michael Schuyler, a senior economist at the Institute for Research on the Economics of Taxation who has spent years studying USPS, said the FTC report provides a "good economic analysis." He says the report could have gone farther.

"Although the FTC spent a lot of time talking about the mailbox monopoly, the report did not put a dollar estimate on the value of that monopoly," Schuyler said. "That's a very big subsidy. Just on that one item I'm sure they did lowball the Postal Service's subsidy benefits."

But on the whole the FTC report "is superb," Schuyler said. "I just note that the FTC was emphasizing burdens that have economic costs to the Postal Service and subsidy benefits that are market distortionary. The dollar estimates, I think, were of secondary importance. As the FTC acknowledged, their estimates were selective."

United Parcel Service spokesman Malcolm Berkley declined to comment on the FTC report. Representatives at Federal Express and DHL did not return calls for comment.

#### Benefits of Competition

Schuyler said the FTC report's chief strength is its analysis of competition.

"When they talked about benefits and burdens the FTC was on its home turf of looking at competition," Schuyler said. "They did burden and benefit estimates, but I don't think they were giving those numbers as much weight as their analysis about competition. The FTC concluded the USPS has numerous advantages and disadvantages and both are problems."

## Monopoly Protections

Schuyler said USPS enjoys two monopolies: the exclusive rights to deliver first- and third-class mail and to put mail in private mailboxes.

"The private express monopoly can be traced to colonial days," Schuyler said. "The mailbox monopoly was created in 1934 because utilities were delivering bills directly to consumers, and the Postal Service wanted to stop them. This clearly was a revenue grab. We are the only country with a mailbox monopoly."

## Regulatory Drawbacks

While pointing out these and other advantages--such as monopoly protections that it did not quantify--the FTC report also noted serious drawbacks for USPS.

For instance, FTC concluded government regulations hinder USPS's ability to manage its labor force and configure its network, increasing costs by as much as \$782 million a year.

Federal constraints imposed on USPS also make it less nimble than private package delivery competitors, according to FTC, forcing the Postal Service to spend more time and money to develop its products. But these higher costs are partially masked by USPS's legal protections in other areas, creating incentives for consumers to buy more mail products from USPS than they otherwise would.

"People who are steeped in this topic are aware of the distortions," Cooper said. "Our report, for the first time, has put all this information in one place and put rough estimates on the dollar figures."

Schuyler cautions the estimates are very rough, in part because FTC often relied on USPS figures that it sometimes found dubious.

"In virtually every case, the FTC took Postal Service numbers and asked, 'Do we feel comfortable with this?' If yes, we'll use it. If no, we won't use it," Schuyler said. "As far as original research regarding burdens, I don't think the FTC did that or claimed to do it."

## Even Footing

Schuyler said he was pleased FTC rejected the Postal Service's argument that it should "have a free pass" on subsidies because of the legal restrictions it faces.

"The FTC said it's too bad the Postal Service has these disadvantages, but if they try to cover them up with government resources, we get a misallocation of resources," Schuyler said.

Ideally the federal government would remove both the unnecessary burdens and the implicit subsidies, Schuyler said. FTC agrees and says if burdens and subsidies cannot both be removed, then one or the other should be removed.

Steve Stanek (stanek@heartland.org) is a research fellow at The Heartland Institute and managing editor of Budget & Tax News.

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From The Times  
May 2, 2008

**4. Brief Encounter: I want a new postal address**

How can I get my new front door onto the postman's route?

Mark Loveday

Q: I own a quirky property that has no direct street access. To get to the street door, where the mail is delivered, I have to go across a courtyard and down a passage belonging to a shop. I want to have a new doorway made at the back in another street. Does the Royal Mail have any legal obligation to deliver to my new door? Can I get the house renumbered according to the new street access?

A: Under the Postal Services Act 2002, the Royal Mail is required to make at least one postal delivery every working day to the home of each individual in the United Kingdom. They must, therefore, deliver to your new postal address, but they are not responsible for allocating anything other than the postcode.

The naming and numbering of streets and buildings is controlled by the local street naming and numbering authority - your local council. The powers are set out in the Towns Improvement Clauses Act 1847 (as amended) - although in London the relevant legislation is the London Government Act 1963. The controls are quite elaborate. For example, most householders are unaware that Section 65 of the 1847 Act requires them to display their house number or name and that they can be prosecuted if their number falls off the front door.

If a property is already numbered, the owner can add a name without needing permission, as long as the new name does not conflict with the name of another property in the area. If an owner does this, the new name will not officially form part of the address, and technically the owner must still display the number as well.

In your case, however, you will need permission to create a wholly new address. When you apply to the local council, it will try to ensure that the proposed name or number complies with British Standard BS7666 and it will consult the Royal Mail and other relevant bodies. The main objective is to allocate a new address logically so that ambulances and the fire brigade can quickly find addresses in the area. However, if you are simply proposing to add a new number 35A between numbers 35 and 37, you should get permission quite easily.

The writer is a barrister at Tanfield Chambers. E-mail your questions to:  
[property.consumer@thetimes.co.uk](mailto:property.consumer@thetimes.co.uk)

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### **5. New business offering postal service**

A staff report

Postal service is now available at Speediprint, a new business in Westwood Shopping Center.

Customers can buy stamps and mail letters and packages at Speediprint, a news release said.

But some services won't be available, the release said. That includes money orders, postal box rentals and global express guaranteed services.

Speediprint hours are Monday through Friday from 9 a.m. to 6 p.m. and Saturdays from 9 a.m. to 4 p.m.

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### **6. Nigeria: New Postal Law Underway - BPE**

Leadership (Abuja)

1 May 2008

Posted to the web 1 May 2008

Justus Nduwugwe  
Abuja

The director of information and communication in the Bureau of Public Enterprises (BPE), Mr. Benjamin Dikki, has revealed that the postal policy and new postal legislation are near completion after both documents were subjected to extensive stakeholder sensitisation.

Making the observation at an interactive meeting last Tuesday, between the Bureau and organised labour on the postal sector reform and the restructuring of NIPOST, Dikki said, "on completion, the final postal bill would be sent to the Ministry of Information and Communications which would forward it to the Federal Executive Council (FEC).

He listed the objectives of the postal reform including; "to grant the postal sector sufficient autonomy to run its own affairs; guarantee all segments of the population access to universal service; provision of quality services which support the Universal Service Obligation (USO); separate between operators, regulator and policy makers; ensure an open, liberalised market with equal opportunity for all competitors; guarantee economic viability of the public postal operator; ensure that the population had access to services according to the technological evolution of the postal service; and achieve quality standards similar to best international practice.

A statement issued yesterday by the head, public communications, Mr. Chigbo Anichebe, stated that Post Master General, Alhaji Ibrahim Mori Baba, pointed out that his organisation welcomes the envisaged reforms as it is hoped they would strengthen service delivery in the postal sector.

The representative of the minister of Information and Communications, Dr. (Mrs) Ngozika Okeisaibo, explained that the ministry is committed to a smooth restructuring of the postal sector.

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## **7. Postal union prez warns of threat to mail delivery**

May 2, 2008.

By MATHIEU BELANGER, SUN MEDIA

OTTAWA -- Canada Post's new union president is warning Canadians that their mail delivery could be in jeopardy and hundreds of jobs could be lost.

In an interview with Sun Media, new Canada Post national union president Denis Lemelin accused the Conservatives and Canada Post CEO Moya Greene of attempting to deregulate postal services in Canada.

Lemelin pointed to the Harper government's recently announced "strategic review" of Canada Post, set to examine which services should remain under the monopoly of Canada Post and which should become fair game in a competitive market. A final report is expected in December.

"It's obvious that the hidden design in the strategy is to allow private companies to take over the sector. All signs are pointing to that. Greene has hinted at this, plus it's recommended by the CD Howe and the Conference Board of Canada," he said.

Canada Post currently has a monopoly over the delivery of letters up to 500 grams to 15 million doors across the country.

Lemelin fears that deregulation could mean that Canadians in metropolitan areas might have their daily mail handled by UPS, Federal Express or Purolator.

"These private companies could decide to implement distribution centres in the greater areas and handle mail delivery for Montreal, Vancouver and Toronto," he said.

He also warned that deregulation would result in hundreds of layoffs across Canada and an increase in stamp prices.

Lemelin also said that universal mail service could even be jeopardized.

"The private sector would invest in the greater metropolitan areas -- where it's profitable," he said.

"The public postal service would end up with less profitable sectors, such as rural areas. Canada Post would automatically turn deficits and would die off slowly but surely, leaving a large proportion of the population the private sector would not want to take care of in a jam."

"The United Kingdom and Colombia deregulated postal services, and they are now questioning their duty to offer universal postal services," he said.

Some of Lemelin's fears could be well founded. When Sweden deregulated its postal system, more than 16,000 jobs were lost between 1993 and 2005 while postal rates soared by up to 90%.

In the U.K., where deregulation was completed in 2006, the private sector has since taken over up to 25% of all general mail delivery and the government has closed approximately 2,500 post offices.

Fearing the loss of 40,000 jobs, 130,000 Royal Mail employees went on strike last fall.

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## **8. Postal Service Department seeks to improve mail services**

By Mohammad Abdullah

May 1, 2008.

Mr Thakur Subhash Sinha delivering a seminar.

To upgrade the quality of mail services as well as the mail process in the country, the Postal Service Department employed the services of a consultant from the Asian-Pacific Postal College (APPC), Bangkok, Thailand.

Thakur Subhash Sinha has been in Brunei for two weeks evaluating the mail process in the country. Yesterday he delivered a seminar on Service Quality Management and Expediated Mail Service (EMS) to postal workers, stating the service has the potential to be expanded in the future.

In a press release, the Postal Service Department stated that the department is confident that the consultant maybe able to improve the services as well as upgrade the quality of customer and postal services for the benefit of potential clients.

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Apr 30, 2008 22:28

## **9. Canadian postal workers urge divestment of 'apartheid' Israel**

By " BY ABE SELIG Print   Subscribe

The Canadian Union of Postal Workers passed a resolution at its national convention in April supporting the international campaign of boycott, divestment and sanctions against Israel, labeling it an "apartheid state" and calling on the Canadian government to increase humanitarian aid to the Palestinians.

"It's time to push for a fair and just settlement so that both Palestinians and Israelis can live in peace," said Denis Lemelin, the CUPW national president. "There can't be a solution while settlements exist on Palestinian land and while a security barrier restricts the movement of Palestinian workers."

The move, praised by anti-Israel groups such as The Coalition Against Israeli Apartheid, is the first time a national union in North American history has passed such a resolution against Israel.

The resolution by the CUPW, which represents more than 50,000 postal workers in Canada, states that the union will work "with Palestinian solidarity and human rights organizations to develop an educational campaign about the apartheid nature of the Israeli state and the political and economic support of Canada for these practices."

Using UN resolutions as its basis, the resolution also calls on Israel to "immediately withdraw from the occupied territories" and "tear down the Israeli-West Bank barrier."

Expressing support for a condition the Israeli government has repeatedly refused to agree to, the CUPW resolution also calls on Israel to recognize the Palestinian people's "right to return to their homes as stipulated in UN Resolution 194" - a demand by Palestinian negotiators that would virtually erase the Jewish state.

But the resolution was dismissed by Canadian Jewish Congress CEO Bernie Farber. "CUPW has a very well-established, almost iconic reputation as a radical organization on the far extremes of the Canadian labor movement," he said. "[The resolution] was a foregone conclusion almost from the outset."

Farber also said that the fact the resolution was largely ignored by the mainstream media suggested that people did not take the CUPW resolutions seriously.

"The vast majority of men and women working for the postal service have no clue about such resolutions," Farber said. "Very few pay any attention to them."

Still, the call for a global campaign of boycott and divestment from Israel by over 170 Palestinian political parties, unions and other organizations issued in July 2005 has been heeded internationally. And while the CUPW's resolution may be marginal in North America, it remains to be seen whether other labor unions will follow.

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### **10. Postal services a key element of development, says Ban Ki-moon**

UN News Center, 30 April 2008 – Marking the 60th anniversary of the Universal Postal Union (UPU) as a United Nations agency, Secretary-General Ban Ki-moon has highlighted the important role of postal services, especially at a time when hundreds of millions of people have relocated from their country of origin and are anxious to share news and resources with their relatives.

“You may be one of the smallest specialized agencies, but the work you are doing is key to the broader mission of our Organization,” Mr. Ban said on Monday while at the UPU’s headquarters in Bern, Switzerland.

The Secretary-General said that the postal sector makes a well-known contribution to development, and pointed out that the UPU helps developing countries develop trade-related infrastructure and supply capacity, especially in Africa.

“The capacity of postal services to provide information, goods and fund transfers can lend valuable support to the growth of small businesses in developing countries and help them to access markets in industrialized States,” he stated.

The UPU is the primary forum for cooperation between national postal services. It establishes the rules for international mail exchange among its 191 members and makes recommendations on increasing the volume of mail, and on improving the quality of services. Each year, 5 million postal workers deliver over 433 billion letters domestically, and 5.5 billion internationally, as well as over 6 billion parcels.

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Collected by Chairul Anwar, Bandung, Indonesia.

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