

POSTAL NEWS

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1. Postal codes at risk

05.05.2008

The arrival of foreign competition and liberalisation of the national postal service may result in new postal codes

Liberalisation of postal services may be the demise of the nation's 40-year-old postal codes as the system, devised and administered by Post Danmark, may undergo drastic reform in the upcoming liberalisation of the nation's postal service.

One proponent of such a reform is Citymail, Post Danmark's only competitor.

Jarle Trandokken, Norwegian state-owned Citymail's Danish chief executive, said that the number of postal codes needed to be increased to encompass more addresses and making sorting easier.

To speed up the sorting process easier, Post Danmark invested in advanced sorting machines for scanning post, and Trandokken said it was unreasonable for new players on the market to have to make such substantial investments.

The Road and Transport Agency, the body responsible for inspection of the postal services, acknowledged that a postal liberalisation also came with considerations of reform in the area. However, Mogens Antonsen, a consultant with the agency said the present postal code system was not considered an obstacle.

In the mean time, Helge Israelsen, Post Danmark's chief executive, said that he was unwilling to change the present postal system to accommodate Citymail's objections.

The present postal codes were implemented in 1967. Larger cities have a number ending with two or three zeros and smaller towns, as far as possible, have a number ending with one zero. (LYT)

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2. Postal Service Launching Competitive Expedited Mail Prices

Express Mail Will Be the Best Overnight Deal in the Country for Most Shippers

WASHINGTON, May 5 /PRNewswire-USNewswire/ -- Beginning next week, customers will be able to take advantage of some of the best bargains in the shipping market when the U.S. Postal Service launches new prices for its expedited mail products: Express Mail and Priority Mail.

Effective May 12, prices for Express Mail, the Postal Service's premier overnight service, will be lower at the weights and in the delivery zones used by most customers. Also, the Postal Service will offer price incentives for both Express Mail and Priority Mail, its two- to three-day shipping service. Online users and commercial Priority Mail customers will see lower prices, while high-volume Express Mail shippers will get quarterly rebates and price reductions. These savings are now possible due to a recent change in federal law.

"We are excited to offer our customers these price incentives -- a first for the Postal Service," said Gary Reblin, vice president, Expedited Mail. "We already have world-class products and first-rate service, and our new prices make us the best value in the market."

All Express Mail and Priority Mail customers can save money simply by going online to purchase postage, including customers using Click-N-Ship at usps.com. Express Mail customers will receive 3 percent off the published retail prices and Priority Mail customers will save an average 3.5 percent. Customized contract pricing will also soon be available for large commercial customers.

Also on May 12, guaranteed overnight delivery through Express Mail will be available to thousands of additional locations.

One thing won't change next week. As always, the Postal Service does not impose fuel surcharges, hidden surcharges or surcharges for residential delivery, Saturday delivery or address correction.

New pricing highlights:

Express Mail

- Retail prices start at \$12.60 for a half-pound package.
- The retail price for an Express Mail Flat-Rate Envelope is \$16.50 regardless of weight or destination.
- Online purchasers and those that have an Express Mail Corporate Account save 3 percent.
- Quarterly volume rebates are available for users averaging just two packages a day.
- Contract pricing will be available for large customers.

Priority Mail

- Retail prices start at \$4.80 for a one-pound package.
- Online purchasers save from 1 to 11 percent.
- The retail price for a Priority Mail Flat-Rate Envelope is also just \$4.80 regardless of weight or destination.
- The retail price for a Priority Mail Flat-Rate Box is \$9.80, and a Large Flat-Rate Box is \$12.95 regardless of weight or destination.
- The retail price for a Priority Mail Large Flat-Rate Box sent to an APO/FPO destination is \$10.95, a \$2.00 savings.
- Users of Click-N-Ship and PC Postage and customers using permit imprint with electronic confirmation services save an average 3.5 percent.
- Contract pricing will be available for large customers.

More information, including full price and fee information, is available at usps.com/express, usps.com/priority and usps.com/pricing.

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

(Reporters: Broadcast quality sound & video and additional information on the new pricing is available at <http://www.usps.com/communications/newsroom/2008/newpricing.htm>)

SOURCE U.S. Postal Service

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3. New Zealand postal unions make claims for new collective contract

UNI, 05/05/2008

The UNI affiliate, the EPMU, and the newly merged Postal Workers Union of Aotearoa (PWUA), have made joint claims for a new collective contract for postal workers in New Zealand Post. The claims include a wage rise and a number of claims around hours of work and shift rosters including the PWUA claiming that there be a 5 day week for postal delivery staff (now a 6 day week). They have also submitted a number of health and safety claims. Both the EPMU and the PWUA, who bargained separately before, have had constructive discussions about bargaining jointly and both unions have submitted similar claims for the renewal of the Collective contract.

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4. Postal industry unveils carbon footprint plans

UN and Universal Postal Union team up to help promote environmental best practices to postal services worldwide

James Murray, BusinessGreen, 08 May 2008

The global postal industry has this week unveiled ambitious plans to measure its carbon footprint, and instigate a range of initiatives to slash its environmental impact.

According to conservative estimates, postal services worldwide employ over five million staff and use over 600,000 cars, vans and trucks, and hundreds of aircraft to deliver mail. However, while it is known that the sector has a significant environmental impact through both travel-related carbon emissions and the millions of tonnes of paper it transports each day, there are no official figures on its carbon footprint.

Now, the international industry trade association the Universal Postal Union (UPU) is seeking to calculate the sector's environmental impact and has announced it is to survey its 191 member countries and collect data on the energy and fuel used by their postal services.

The announcement came as the UPU inked a partnership agreement with the United Nations Environment Programme (UNEP) which will see the UN body help with the development of a methodology for measuring the carbon footprint of the sector globally year-on-year.

The two groups have also agreed to co-operate in the development and promotion of a package of environmental best practices designed to help postal services curb their emissions.

Nick Nuttall, spokesman for UNEP, said that the initiative could have a major impact on global carbon emissions. "The postal sector is obviously one of those industries with a large environmental impact, so if we can begin to bring down emissions across the industry it can make a major contribution to global emissions," he said, adding that UNEP and the UPU were now inviting postal services to approach them for advice and support in their environmental initiatives.

The precise nature of the best practices the UPU is likely to endorse are yet to be agreed, but Nuttall insisted there was plenty of potential environmental strategies for postal services to explore, including increased investment in low carbon vehicles, greater use of rail, better optimisation of postal networks and even wider use of bicycles for postal workers.

5. U.S. Postal Service lost \$707 mln in 2nd quarter

Wed May 7, 2008 2:42pm EDT

By Ayesha Rascoe

WASHINGTON, May 7 (Reuters) - The U.S. Postal Service lost \$707 million in its fiscal second quarter because of a slowing U.S. economy and a decline in mail volume, it said on Wednesday.

Mail volume fell to 51.3 billion pieces for the quarter ended March 31, a 3.3 percent drop from a year earlier, the Postal Service said.

"Weakness in the housing and credit markets, both of which are heavy users of mail, are leading the declines in mail volume," Postmaster General John Potter said in a statement.

If the trend continues, 2008 will be the seventh year that total U.S. mail volume has declined in the last 50 years, and could be largest decline since 2002.

Although volume may rebound with the economy, Potter said the Postal Service must hasten structural and procedural changes it is making to remain economically viable.

Despite the drop in mail volume, revenue rose 3.2 percent to \$18.9 billion in second quarter, reflecting last year's price adjustments. Higher fuel costs, however, pushed expenses in the second quarter up 0.3 percent to \$19.6 billion.

Overall during the first half of its fiscal year, the service said it generated \$39.3 billion in revenue, while reporting a net loss of \$35 million. The service reported a fiscal first-quarter profit of \$672 million.

The Postal Service has cut costs and increased efficiency, reducing its work hours by more than 18 million during first two quarters of 2008 compared with same period in 2007.

It is also revamping its express mail and priority mail with more pricing flexibility on May 12.

"Next week, for the first time ever, we'll begin offering price incentives for Express Mail and Priority Mail, enabling us to better compete for package business," Potter said.

The Postal Service, an independent federal agency, competes with FedEx (FDX.N: Quote, Profile, Research), United Parcel Service (UPS.N: Quote, Profile, Research) and DHL Worldwide Express [DHL.UL]. (Reporting by Ayesha Rascoe; Editing by Steve Orlofsky)

6. Leyland postal training firm wins Postcomm licence

Leyland based training organisation PeoplePost, has joined a select list of just 20 UK companies that hold licences issued by the UK postal regulator, Postcomm at a time of profound change in the £7bn postal industry.

PeoplePost will join existing licence holders Royal Mail, TNT, DHL and UK Mail in the recently liberalised marketplace.

Postal licences are valid for a period of ten years.

PeoplePost's founder is David McBride, the former Managing Director of Preston company Responsible Mailing.

David recently helped TNT Post to establish its first UK postal delivery operation in Liverpool as part of their plans to establish their own delivery network.

David said: "Experience has shown me that customers and recipients of mail are far more concerned with the time and condition mail arrives than who delivers it.

"The postal market is changing and only the companies that listen to and really understand what customers value will succeed.

"Our workshops help staff to adapt to the transformation of the industry, giving them the skills to better serve customer needs.

"This licence will enable us to develop practical and innovative approaches to meeting postal staff development needs.

"I hope to see staff from Royal Mail and other operators joining our development workshops in the near future."

PeoplePost is offering a number of free training places on its summer training workshops for postal staff this summer in Leyland, Hemel Hempstead and Birmingham.

Postal staff can visit www.peoplepost.co.uk for more information.

9:27am Thursday 8th May 2008

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7. Trichy tops in Rural Postal Life Insurance

BS REPORTER / Chennai/Trichy May 8, 2008

The central region of Tamil Nadu postal circle headquartered at Trichy bagged the numero uno position in the country by selling Rs 1,017 crore worth of Rural Postal Life Insurance (RPLI) in 2007-08, surpassing the target of Rs 690 crore by 47 per cent. The Vijayawada region followed by garnering a business of worth Rs 650 crore.

Addressing the media here, SP Rajalingam, post master general, central region-Trichy, said the region had, since the launch of RPLI in 1995-96, sold 830,000 policies for a sum assured of Rs 3,557 crore.

Trichy also recorded an increase in international money transfer service during the year by enabling 416,000 transactions over previous year's 169,000 transactions. The region covers 24 head post offices, 64 sub offices and 2,839 branch offices.

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8. Postal service 'not delivering'

2 days ago

The Royal Mail faces "radical" changes after an official review found that opening up the postal market to competition has seen no significant benefit for consumers and smaller businesses.

An independent panel set up by the Government also found there was a "substantial threat" to the financial stability of the Royal Mail and the universal postal service.

"We have come to the conclusion, based on evidence submitted so far, that the status quo is not tenable. It will not deliver our shared vision for the postal sector," said the report. The panel's chairman, Richard Hooper, said the Royal Mail and the postal industry were at a "crossroads", and there was now a "strong case" for taking action to make sure the company had a sustainable future.

"As we see rapid changes in the way people communicate, the way in which the postal sector is regulated will also need to change, and we need to establish how best to create the incentives for Royal Mail to modernise its operation, providing a stable, financial future."

The report said the postal market was changing and faced an "uncertain future", especially as firms looked to cut costs in the face of challenging economic conditions.

In the past two years, competition in the collection, sorting and transportation of bulk mail from businesses has expanded rapidly and much more quickly than was anticipated, the report found. But there was virtually no competition to the Royal Mail in the delivery of letters despite a belief that some rival firms could invest in deliveries, perhaps twice a week, in urban centres.

"Others point out significant barriers to entry. We will need to consider this further, along with the risk that more extensive competition could make the universal service unsustainable."

Large firms had seen clear benefits from liberalisation, including more choice, lower prices and more assurance about the quality of the mail service, the report said. But there had been no significant benefits for consumers and smaller businesses, who believed that Royal Mail's service offered good value for money as it stood.

The report added: "But they have no choice in provider and are paying higher stamp prices. The introduction of a pricing methodology based on weight and dimensions makes life more difficult."

Abolishing Sunday collections and the move to a single daily delivery were more visible to consumers and small firms and were seen as a reduction in services. The Royal Mail faced "many challenges", but modernising its services will be more difficult as volumes fall.

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9. Working towards a greener postal sector

Berne (Switzerland), 5 May 2008 - The United Nations Environment Programme (UNEP) and the Universal Postal Union (UPU) have agreed to work together to slash the CO2 emissions caused by members of the postal sector. Under the agreement signed in Berne last week by Achim Steiner, Executive Director of UNEP, and Edouard Dayan, Director General of the UPU, UNEP will help the UPU calculate the volumes of greenhouse gases generated by the postal sector, using a clearly-defined methodology.

(Media-Newswire.com) - Berne (Switzerland), 5 May 2008 - The United Nations Environment Programme (UNEP) and the Universal Postal Union (UPU) have agreed to work together to slash the CO2 emissions caused by members of the postal sector.

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The UPU's International Bureau is shortly to launch a survey of the organization's 191 member countries, to collect data on the sector as a whole, including buildings and vehicles, the mileage these vehicles cover, and the volumes of fuel consumed. Once this information has been gathered, UNEP will help the UPU develop a method to quantify the greenhouse gas emissions generated by the postal sector. The UPU and UNEP will then offer postal operators a range of solutions to cut these emissions, and will monitor the impact of these measures from year to year.

The initiative is in line with the United Nations' commitment to make climate change one of its top priorities, and the heads of UN agencies, programmes and funds agreed at the October 2007 meeting of the Chief Executives Board of the United Nations System to work towards climate neutrality. As part of this partnership with UNEP, the UPU is looking to move towards becoming a climate-neutral organization.

"Any initiative that puts environmental protection at the heart of postal businesses' development strategy will have my support, and the scale of our contribution should reflect that of the sector," declared Edouard Dayan.

According to Achim Steiner: "By joining our forces we are bringing the issue of sustainability to one of the major global networks, the postal service, which has a massive responsibility to connect the world but which also has a significant footprint".

The UPU is a member of the UN's Environment Management Group, and has formed a global network of correspondents within the postal operators of its member countries to help raise awareness, within the worldwide postal sector, of the importance of adopting green policies and sharing best practices. Sustainable development of the postal sector also lies at the heart of the organization's world postal strategy adopted by its 2004 Bucharest Congress, and will remain an objective in the next postal strategy, to be presented at the 24th UPU Congress in Geneva from 23 July to 12 August 2008.

The issue of the environment will be discussed extensively at the Congress, and Mr. Steiner will take part in the General Debate on 25 July 2008, which will be attended by heads of international organizations, representatives of the governments and operators of the UPU member countries, and other decision-makers from across the sector.

Many Posts today recognize the impact their activities have on the environment, and have adopted environmental policies accordingly; some have acquired non-polluting vehicles and use eco-friendly materials, actively participate in recycling programmes, or have adopted green purchasing policies.

But much more still needs to be done. According to even the most modest estimates, the world postal sector comprises over five million staff (twice that number if we consider the wider sector) and 660,000 postal establishments, and uses some 250,000 motorcycles, over 600,000 cars, vans and trucks, and hundreds of aircraft to deliver mail to the four corners of the world... Not to mention the tonnes of paper used daily in postal communications. The sector therefore has a significant role to play in cutting greenhouse gas emissions.

About the Universal Postal Union

The UPU, based in Berne (Switzerland), is the primary forum for cooperation between Posts. In addition to maintaining a genuinely universal network that provides modern products and services, it establishes the rules for international mail exchanges among its 191 members and makes recommendations to stimulate mail volume growth and to improve the quality of service for customers. Each year, more than five million employees process and deliver 433.6 billion domestic letter-post items, some 5.5 billion international items and over 6 billion ordinary parcels. The UPU this year celebrates 60 years as a specialized agency of the United Nations.

About the United Nations Environment Programme

The United Nations Environment Programme was founded in 1972. Its mission is to provide leadership and encourage partnerships in caring for the environment by enabling nations and peoples to improve their quality of life without compromising that of future generations. As the principal United Nations body in the field of the environment, UNEP sets the global environment agenda, promotes implementation of the environmental dimension of sustainable development in the United Nations system, and serves as an authoritative advocate of the global environment.

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10. International postal rate changes

From Breeze Readers

Article Launched: 05/06/2008 11:11:49 PM PDT

Q: International postal rate changes

I recently went to a postal station on Torrance Boulevard to send a birthday package to my grandson in Germany by surface mail and was told we now can only send by airmail. This is outrageous. Nowhere were we citizens informed about this new rule. This is a rip-off.

- KAROLA KUC

Torrance

International surface mail was discontinued because it was used so little, U.S. Postal Service spokesman Rich Maher said.

Maher said cargo containers used to ship the international surface mail were not being filled and the Postal Service was being charged for the space whether or not the containers were full.

"In this day and age, people did not use it," he said.

Discontinuation of the service was announced as part of the rate changes that went into effect May 14, 2007, Maher said. The international services were aligned more with the domestic services, he said.

In that rate change, the U.S. Postal Service revamped its international shipping services, changing from eight options to four. Information about those changes is available online at

www.usps.com/ratecase/. Click on "international mail changes."

For information about upcoming rate changes due to take effect May 12, go to www.usps.com/prices/.

People who want information about shipping prices can calculate them online at www.usps.com.

- Stephanie Walton

11. Royal Mail Boss Crozier Asks How USO Is To Be Maintained

08 May 2008 by Mark White - © Hellmail.co.uk

Adam Crozier, chief executive at Royal Mail described the universal service as key to the success of postal services in Britain but said in the Mail On Sunday: "The question begging an answer is how to preserve and nurture the universal service when the only business with a commitment to delivering it - Royal Mail Letters - is now loss-making."

"The Universal Service is a huge asset for Royal Mail and for the nation as a whole. It is part of the fabric of our society and is vitally important both to social cohesion and to the UK economy. But it is now in the red for the first time - making an estimated loss of around £100million last year while the overall price controlled area of our business made an estimated loss of around £200million. So it is vital that we have the opportunity for a real debate about how the Universal Service should be financed and sustained going forward. We welcome the interim report of the independent review and share the belief as set out in the report that the Universal Service must be sustainable, and that competition should benefit all customers." he said.

The lack of interest in competing for final mile deliveries in the UK means that Royal Mail is being left to provide and fund the universal service itself while competitors concentrate on collection and sorting for lucrative business contracts. Without the profit that Royal Mail used to get from business mail, the universal service is costing a fortune to provide and remote areas could face few or no collections and deliveries without support from government or bigger stamp price rises.

Steve Lawson, editor for the postal industry news web site Hellmail, said:

"It was fairly evident from the start that there was little interest from other postal operators in terms of fighting over doorstep deliveries."

"Domestic post which has declined at a rate of 2% annually, is already heavily reliant on D2D (junk) mail to help stem losses. Everyone moans about junk mail, but without it, the universal service would have been in trouble even before postal deregulation started. The trouble is, no one seems to have the foggiest idea who should pay for a universal service. If the cost were shared, which common sense would suggest it should be, we might be able to maintain the status quo but Postcomm have already concentrated their efforts on encouraging competition and very aware that the added cost of the USO would drive competitors out. It's a chicken and egg situation and my concern is that knee-jerk reactions could just make matters worse. If it isn't working then let's accept that and put things right - not stumble on, beating Royal Mail and its staff with a stick just to drive this through and face losing the USO."

"Deregulation has relied on Royal Mail to keep the USO going whilst government dashed to drive in competition. It hardly needed a crystal ball to see what was likely to happen.

Adam Crozier is quite right, we do need a universal service but we're not going to ensure that by continually thumping those delivering it." he said.

20% of mail delivered by Royal Mail is now collected and sorted by rivals, putting enormous pressure on the USO. A recent report commissioned by the government suggests the situation is no longer tenable without intervention but so far, no ideas, other than a reversal of policy and/or the breaking up of Royal Mail, have been proposed to reverse the trend

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